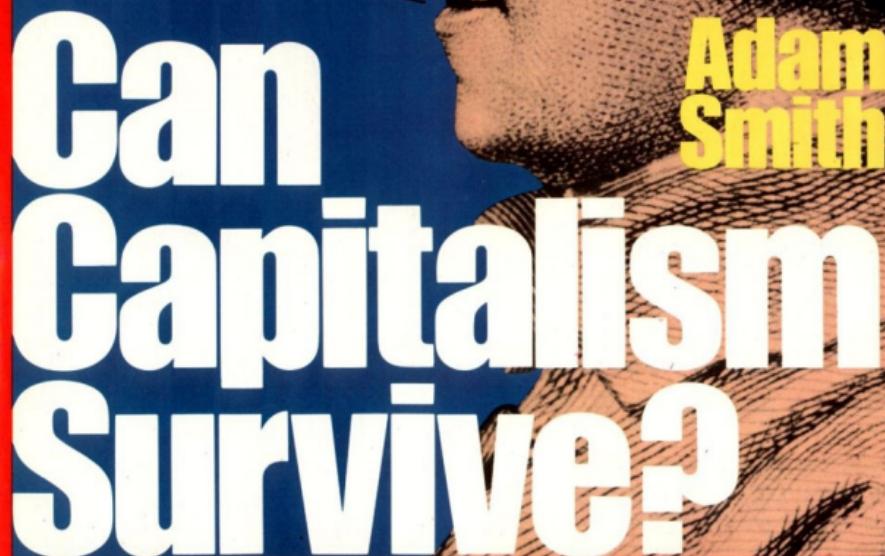


75 CENTS

JULY 14, 1975

TIME

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count me out,
folks!



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Adam
Smith

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Priced no more than 100's. And Saratoga 120's are rich, full-flavor cigarettes made from a fine blend of tobaccos.



More than just a new brand. Saratoga 120's are a whole new idea in smoking pleasure. Because now you can enjoy smoking longer without smoking more. Look for them in the new 120 mm crush-proof box.

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We did it before. And we can do it again! This time, it's a Nationwide Sale. You can get up to \$300 cash back on the new 1975 cars that are priced to move... Chrysler, Plymouth, and Dodge. These are the cars designed to meet today's demands for reduced maintenance and greater efficiency.

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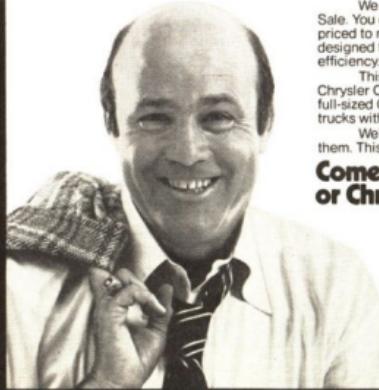


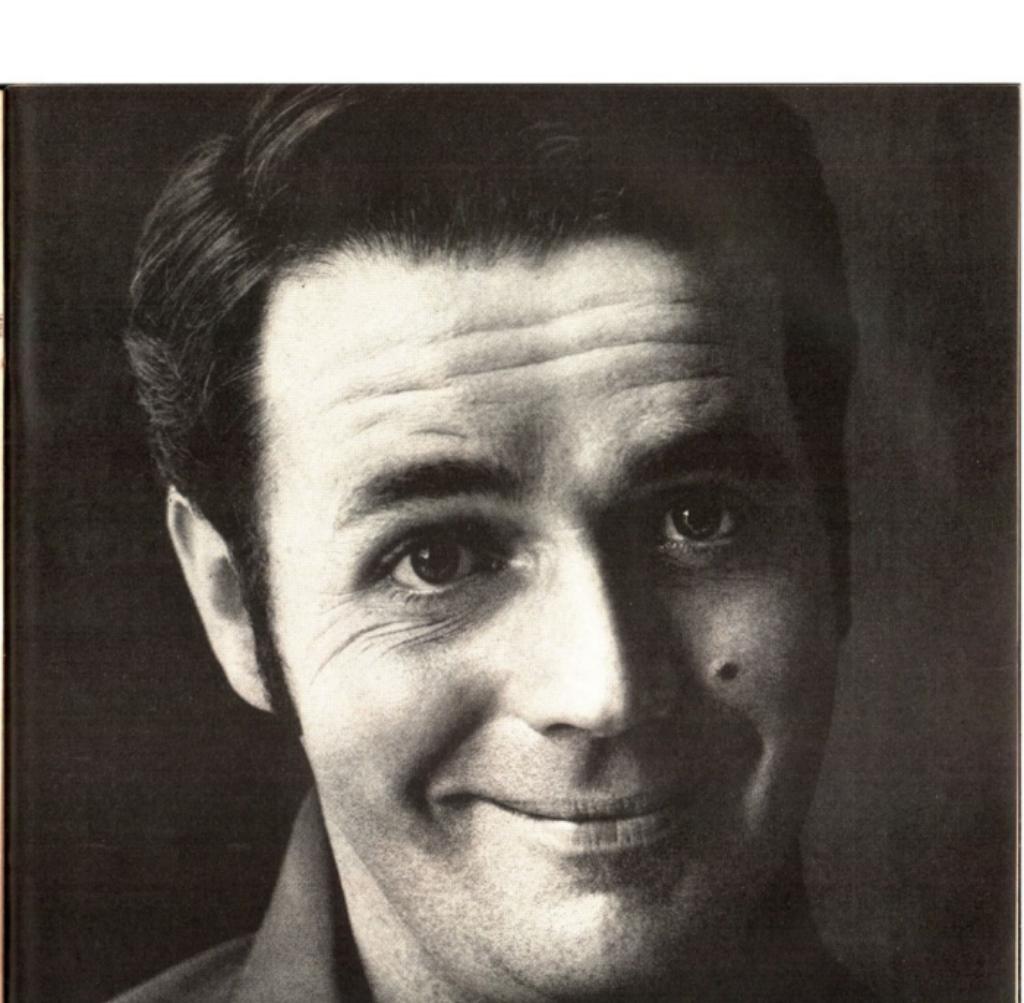
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Bob Burgess created excitement in the middle of nowhere.

Enthusiasm is pretty natural for Bob Burgess. Especially when it comes to his bike business. That's probably why his location never slowed things down—though he's definitely off the beaten path. Bob knew where to really reach people. He took an ad in the Yellow Pages.

And that's when things got interesting. Bike sales climbed, servicing jumped and



yellow pages

Boca Raton, Florida put an exciting new business on their map. Reaching the activated buyer is what the Yellow Pages is all about. And it's working at 24 hours a day, 365 days each year. Whether you're on Main Street or in the meadows. When you're in the Yellow Pages, you've got the best location in town.

United States Steel reports on a productive use of human resources.



Productivity: It's getting disabled workers back to work- faster.

"The words 'disabled' and 'useless' used to be synonymous, but not any more," says J. Carroll Bateman, President of the Insurance Information Institute. "There are very few people who can't be helped back to some kind of productive work."

As a matter of fact, the insurance industry is responding to the needs of disabled workers as never before. Every year, insurance company rehabilitation programs help more than 75,000 disabled people get back on the job—a figure that has tripled over the past ten years.

That's productivity. And that's why United States Steel spotlights the ongoing success of the rehabilitation concept. Any ideas that can improve our nation's productivity at this time are worthy of attention.

In recent years, the insurance companies have been expanding and updating their rehabilitation programs—using the very latest medical discoveries, surgical techniques and systems of therapy.

The result is that any seriously disabled worker now has a greatly improved chance of leading a self-supporting,

Ex-construction worker Tom Amato, 29, married, with two children, lost the use of his legs in an accident. He was retrained as an Electronic Assembler at the Human Resources Center, Albertson, Long Island, N.Y.

productive life again—and making the necessary physical and emotional adjustments in much shorter time.

For example, take the most damaging of all major disabilities: spinal cord injuries. As many as 25% of the most recent cases have been helped back to productive work. Ten years ago, the figure would have been around 10%. And the total recovery period would have been twice as long.

Naturally, getting some patients back on their feet is costly. But these rehabilitation programs make sound economic sense for the insurance companies and the industries they insure. Helping a disabled person find the fastest way back to independence and self-esteem can often amount to less than the cost of continuous disability checks.

The rehabilitation concept is now being developed to an even greater potential. J. Carroll Bateman sums it up when he says, "rehabilitation is a journey, starting with a temporarily broken life and ending with a productive member of society. Our job is to make that journey as short as possible."

At U.S. Steel we're also trying to make the best possible use of our human resources. For example, at our plants throughout the country, we offer extensive Apprentice Training and Industrial Studies Programs to encourage employees to upgrade their skills and advance their knowledge. In this way thousands of U.S. Steel people are qualified for promotion to better jobs.

Productivity. We need more of it in America right now.

United States Steel, 600 Grant Street, Pittsburgh, Pa. 15230.



**We're
involved.**

The Jaws of the Super Shark

To the Editors:

Whew! When I first saw your "Super Shark" cover [June 23], I was sure that the IRS had reneged on rebates and wanted them back, with interest.

Roger Markley
Ontario, Calif.

I enjoyed reading about *Jaws*, but although sharks are unpredictable I am convinced that they are not as dangerous as they are cracked up to be. In the 25 years that I have worked in the oceans round the world I have seen many sharks, but I have never seen one

more gripping the feeling in our gut. The shark fantasy hits where we are the most tender—our fear of dismemberment, the invasion of our bodies. It is bad enough when we must undergo a surgeon's knife; it is unbearable when it is a mindless frenzy that attacks our body integrity.

We turn to films for the catharsis that relieves our fears and anxieties. By identifying with those who escape and overcome their problems we gain courage to battle our own private disasters. We are so emotionally blunted that with each blockbuster picture we have to go further for dramatic effect.

Joyce Brothers
New York City

Dr. Brothers' new book will be Better Than Ever.

I was editor of Peter Benchley's novel *Jaws* and regret Actor Robert Shaw's suggestion that it was a novel "written by committee." That's just not true. My colleagues and I made routine criticisms of the manuscript as it progressed, but all the solutions were Benchley's own, and every word in the book is his. Benchley was nobody's patsy, and any suggestion to the contrary cheats him of his accomplishment.

Thomas Congdon
New York City

I cut out the TIME cover of the great white shark and taped him, facing in, on the glass of my aquarium.

I watched proudly as my gallant guppies cruised past the menacing "jaws" unintimidated.

I think I'll go in the water after all.

Robert E. Leonard
State College, Pa.

attack a person. There are rare cases in which sharks can become almost pets by being hand-fed.

Edwin A. Link
Binghamton, N.Y.

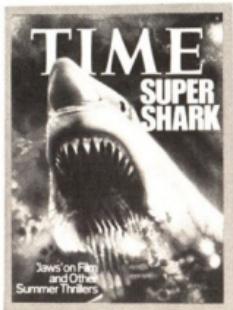
Inventor of the trainer for blind flying, Link has also designed equipment for underwater exploration.

When it comes to efficiency at killing, man makes the shark look like an enraged toy poodle.

Alfred L. Weiss
University Heights, Ohio

Why is the public so fascinated by earthquakes, fires, sinking ships and, now, menacing sharks? One of the main reasons that the shake and bake and devour movies are such a hit on the screen is that we all face so many major problems off the screen. By watching others suffer we drain off some of our own fears. The concern over food shortages, energy conservation, inflation and the possibility of being jobless all seem less threatening when compared with an earthquake that wipes out thousands or a shark that tears bodies to shreds.

The closer the imaginary terror comes to what might really happen, the



with the incredible mass of misinformation which has made a botch of U.S. foreign policy from the Bay of Pigs onward.

John Hearn
Guelph, Ont.

Policy of Poison

In your survey of the history of assassinations for purposes of foreign policy [June 23], you omit the most extensive and best-documented case, that of the Republic of Venice. To quote from my book, *Politics Among Nations*:

"According to its official records, the Republic of Venice, from 1415 to 1525, planned or attempted about two hundred assassinations for purposes of its foreign policy. Among the prospective victims were two emperors, two kings of France and three sultans. The documents record virtually no offer of assassination to have been rejected by the Venetian government. From 1456 to 1472, it accepted twenty offers to kill the Sultan Mahomet II, the main antagonist of Venice during that period. In 1514, John of Ragusa offered to poison anybody selected by the government of Venice for an annual salary of fifteen hundred ducats ... In the same period the cardinals brought their own butlers and wine to a papal coronation dinner for fear they might otherwise be poisoned; this custom is reported to have been general in Rome, without the host's taking offense at it."

Hans J. Morgenthau
New York City

The article about assassination as an instrument of diplomacy does not mention *Utopia* by Thomas More (1516). The people of that perfect community are described as pacifists who detest war but recognize that sometimes it is unavoidable and therefore try to achieve its aims with the least loss of human life. So "as soon as war is declared, they promise great rewards to anyone who will kill the enemy's king, and smaller (but still very great) rewards for killing those whom they regard as most responsible after the king for plotting aggression against them ... Though this manner of waging war ... may seem like cruel villainy ... it is considered by the Utopians as a wise and praiseworthy policy, since it enables them to wage great wars without any battle at all. They even think themselves humane and merciful, because by the death of a few bad men they spare the lives of so many innocent men who would otherwise die in battle ..."

In 1886 Thomas More was officially declared to be a saint.

Julian M. Drachman
New York City

Arab Message

The story "Pushing the Arab Cause in America" [June 23] was a generally fair description of a small but growing

effort in the U.S. to introduce the American people to broader understanding of the Arab-Israeli conflict. Domestic politics have inhibited free discussion of the issue ever since 1948, but the seeds of a national debate about Middle East policy are in evidence. It is never too late to do the right thing.

John P. Richardson,
President
American Near East Refugee Aid
Washington, D.C.

Israel has no need to wage vast propaganda campaigns, paid for by oil-company millions, to present its side of the Arab-Israeli controversy; it need only report the truth.

(Mrs.) Ray Wolins
San Francisco

Planting the Fields

Well, I've been a farmer for 15 years and I've been thinking and pretty quietly planting my fields during that time. Now I'm ready to talk, if people want to listen. There's a lot of things in this country I'd do different. And I feel sure that explaining them will make other people think similarly.

The 1967 Swedish car I drive gets 30 miles per gallon of gasoline, holds four people comfortably, and it's got 93,000 miles and a hand-rebuilt brake-light switch on it. Now why doesn't Detroit make something like that? Well, I generally hear that that'd cause unemployment and the economy might collapse. But I've figured the answer, I think. Those potentially unemployed factory workers could be asked if they'd like to be putting screws into a solar-heat energy-cell hole eight hours a day rather than a shiny new car that needs trading in every so often. If they say no, then we could ask if they'd rather build tractors, dams or fertilizer plants.

Now I know this'll take time and we'll have to retool many factories and many minds that are into the old ways of doing things. Many of the old ways are wonderful, as we on the farm would be the first to say. Yet the 20th century's different. Not only is this the first time that almost every neighbor is scared to death of his or her neighbor, but also we got the pill and the bomb. In other words, we can either manage our environment for the better or for what my neighbors and me think the worse.

Moreover, me and my neighbors feel that if we'd spent just 5% of what that Viet Nam conflict cost on agricultural research, we could feed the world by now and have some leftovers come winter. By the way, I've got a lot of other free suggestions if anybody wants to listen and use some common sense.

Milo Mason
Robinson, Ill.

Address Letters to TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020

JULY 14, 1975

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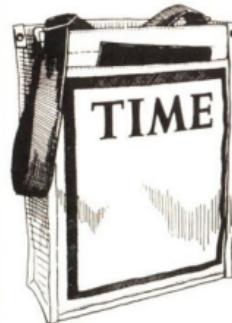
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TIME

THE WEEKLY NEWSMAGAZINE
July 14, 1975 Vol. 106, No. 2

THE NATION

BACK—BLACK STAR

AMERICAN NOTES

A Few Unsweet Remarks

An extraordinary figure rose to his feet last week in Washington to discuss Soviet-American affairs from his unique perspective. Alexander Solzhenitsyn was making his first major public address since his exile from the Soviet Union 17 months ago. The occasion was a banquet given in his honor by the AFL-CIO.

Speaking in Russian while a translator simultaneously rendered his remarks into English, Solzhenitsyn projected the same sense of intense moral fervor that has made him one of the world's major authors. Understandably, he bitterly attacked Communism as an enemy of the human spirit. But Solzhenitsyn went on to criticize American foreign policy toward the Soviet Union. The U.S., he said, should never have cooperated with the Russians in any way, not even in forming the alliance against Hitler during World War II, and he implied that the U.S. should still be fighting Communism in Indochina.

"I am not going to talk to you with sweet words," he said. "The situation in the world is not just dangerous. It is not just threatening. It is catastrophic!" He noted that Nikita Khrushchev used to tell the U.S., "We will bury you." Today, said Solzhenitsyn, the Soviets are too clever to say that. "Now all the Soviets say is 'détente.'"

Solzhenitsyn speaks with the voice of an Old Testament prophet. While the prophets were often correct (sometimes because they helped make their prophecies come true), Solzhenitsyn's apocalyptic vision cannot be a guide to practical policy. Both the U.S. and the Soviet Union have good reason to pursue détente: the hope of reducing, if only a little and very gradually, the danger of a war that could end civilization. True, détente is risky. But the U.S. is not so weak that it need be afraid of dealing with a powerful and wily adversary.

Broom at the Top

Like the weather, the sorry state of Main Street in Cheney, Kan. (pop. 1,200) was something everybody complained about but nobody did much to alter. The trouble began when the town's mechanical street sweeper broke down and there was no money in the budget for repairs. Refuse and dirt started to pile high, trucks carrying groaning loads

of wheat to the elevators added to the mess, and so much sand from a water main project drifted around Main Street that Cheney began to resemble a gravel Sahara.

What to do? Other mayors might have applied for state or federal aid and filled out forms until their streets were as buried as those of Pompeii—or garbage-strewn New York (see page 1). But not Kit Irby, 58. Taking broom and shovel into her own hands, she has set out to clean up the streets of Cheney ("A Community with Pride") in time for the county fair on July 31. Numerous citizens have joined in; many of them teenagers, but none has matched the mayor's daily dedication.

"This is the way we do things here," says the exuberant Mrs. Irby, who doubles as a housewife. "That's the way we were raised." Comments a Cheney resident: "She ain't afraid to work, which you can't say about a lot of people around here."



Pocketful of History

Starting this week, Americans will be able to jingle part of the nation's Bicentennial celebration in their pockets: handsome new coins specially designed and minted for the occasion.

The faces of the coins will be familiar, except for the date, which will be 1776-1976. But the reverse sides will be totally new. The Kennedy half-dollar, which will become available this week, will feature Philadelphia's Independence Hall. Some time next month, the U.S. Mint will start releasing Washington quarters that will carry the image of a colonial drummer boy. In September, the Eisenhower dollar will appear, graced by the Liberty Bell and cratered moon.

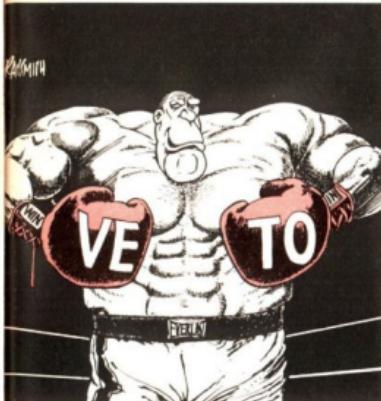
The new coins are meant to be used and while a goodly number will surely be squirrelled away as collector's items, there should be more than enough to go around. The Government plans to issue \$300 million dollars, \$550 million half-dollars and 1.6 billion quarters. They are meant to be, in the words of Marlin Brooks, director of the mint, "small pieces of our historical and cultural heritage."

SOLZHENITSYN SPEAKING IN WASHINGTON

SOLZHENITSYN SPEAKING IN WASHINGTON



MAYOR IRBY CLEANING UP CHENEY



"Next!"



"This whole thing is impossible!"

THE CONGRESS

The Democrats: Ready to Think Smaller

"Three months is a generation in politics," Vice President Alben Barkley once observed, and as Democratic members of Congress returned to Washington this week from their holiday recess, they fervently hoped that Barkley's adage still held true. The 94th Congress was supposed to be a Democratic triumph, but in the past three months the session has turned into an almost unmitigated Democratic disaster because of a crushing succession of failures to overturn presidential vetoes. Nonetheless, the party's congressional leaders believe that time yet remains to salvage enough of their program to retrieve their self-esteem and arrest President Gerald Ford's momentum before the presidential campaigns begin in earnest next year. As a first step, House Speaker Carl Albert planned to meet with House committee chairmen to set a new Democratic strategy for the rest of the session.

Sorry Rival. On paper, the leaders had reason for some degree of optimism about finding a workable strategy. They still have their overwhelming margins of 289 to 145 in the House and 61 to 38 in the Senate. In theory, the Democrats could agree to make enough compromises—for example, cutting the dollar amounts on their spending bills—to persuade Ford to go along with their legislation or, alternatively, to win enough Republican votes in the critical battlefield of the House to override the President's vetoes.

But many experts still thought that the Democrats faced nearly insurmountable odds. Reported TIME Correspondent Neil MacNeil: "In these assess-

ments, Congress comes off as a sorry, almost pitiful rival to the President. The brave initiatives of last January have become the cruel frustrations of now. The Democrats have lost their momentum, their sense of purpose and *esprit*. They are floundering in a political morass. They see themselves as disarrayed and helpless. But if with 289 members of the House they cannot act, they might as well call in the dogs. The hunting will be over."

Six months ago, as Democratic leaders made their overly ambitious plans for the session, the situation was entirely different. Faced with an unelected Republican in the White House, they felt that the huge Democratic margins in Congress gave them a mandate to act on their own. Further, the election of 75 first-term Democrats had brought new energy and a more activist spirit to the House (see box following page). There was even talk in Washington of a "congressional government," meaning that the Legislative Branch would dominate the Executive. With relative ease, the Democrats passed their own \$8.1 billion tax rebate, largely abolished the oil depletion allowance, canceled Ford's plans to reduce the food-stamp program and cut off further military aid to the non-Communist governments of Cambodia and South Viet Nam.

But the Democrats overestimated their own ideological unity and underestimated Ford's clout, particularly in the House, where he served for 25 years, eight as minority leader. In what amounted to a counterattack, he vetoed key Democratic bills that would have

raised farm price supports to boost food production, stiffened regulation of strip mining, stimulated the housing industry through subsidies of mortgage interest and would have appropriated \$5.3 billion to ease unemployment by creating 1 million public jobs. Each time Ford and his aides mustered enough votes among Republicans and fiscally conservative Southern Democrats to sustain the vetoes in the House. On the public jobs bill, for example, the 22 Democrats who voted to sustain the veto included 18 Southerners. Similarly, 35 Democrats, 26 of them from the South, voted to uphold Ford's veto of the housing bill. In their most embarrassing failure of all, the Democratic leaders attacked Ford's energy conservation program as weak and ineffective but could not pass an adequate alternative of their own. Complained Democratic Representative Richard Bolling of Missouri: "We're looking like a bunch of idiots." Indeed, as public approval of Ford increased (to 55% in the latest Gallup poll), public esteem of Congress plummeted.

Blaming Leaders. At the same time, events overseas worked against some of the Democrats' planned initiatives. The Communist victories in Southeast Asia led even doves to support the defense budget so as not to encourage Communist aggression elsewhere, particularly in Korea. In addition, the popularity of Ford's handling of the *Mayaguez* incident further undermined any lingering interest among the Democrats in launching a broad attack on his foreign policy.

Frustrated, many Democrats blame

THE NATION

their leaders for the party's ineffectiveness in the House. According to a recent Washington Post survey, slightly fewer than half of the House Democrats are now satisfied with Albert and Majority Leader Thomas ("Tip") O'Neill. The survey found more discontent among veteran Democrats than among the 75 freshmen (54% of the veterans v. 49% of the freshmen were dissatisfied). But the senior members have tended to support the leadership in public, while the first-termers have voiced their complaints and even talked of trying to dump Albert as Speaker—a move that would doubtless fail.

Contributing to the freshmen's anger has been the fact that they were largely responsible for the revolt in January that dumped three committee chairmen and instituted about a dozen procedural reforms that weakened the traditional seniority system. The re-

formers wanted to make the House more responsive to new ideals and the will of the majority. To the dismay of the freshmen, the changes also further loosened party discipline. The liberal House Democratic Study Group has found that party unity on three of the attempts to override presidential vetoes was the feeblest in 20 years. In an unprecedented move, about 30 first-termers met recently with Albert and demanded that he exercise more control over Democratic votes on key issues, perhaps through the House Democratic Caucus. That body happens to be headed by Phillip Burton, a liberal from California and leader of the reform movement who is a possible candidate to succeed Albert if he should step down as Speaker.

Albert this year has, in fact, had unusual difficulty in making decisions, even minor ones. But "the Little Giant" from Bug Tussle, Okla., is un-

likely to give up the fight. Smarting from the criticism, Albert and O'Neill consider the freshmen to be naive about Washington politics. In particular, the leaders reject the idea of using the caucus to bind members' votes as an unacceptable return to "King Caucus," which ruled the House for a decade before disintegrating in the early 1920s. Nor will Albert take a harder approach to his rank-and-file; as O'Neill has pointed out, the Speaker has neither the carrots nor the sticks to force recalcitrant Democrats into line. Instead, they plan to search for ways to trim their programs. Says O'Neill: "We won't have the broad package that we wanted, but we'll have a better package than Ford offered." More important at this point, such compromises may head off further unbeatable presidential vetoes and break the stalemate between the President and the Democrats.

A Manic-Depressive Six Months

For the eager freshmen Democrats who took office in January, the failure of Congress has been disillusioning and frustrating, particularly since many argue that the President lacks a real legislative program of his own. "He just keeps saying, 'No, no,' " declares New Jersey's Andrew Maguire. Last week TIME correspondents followed four of the chastened freshmen Congressmen as they toured their districts and tried to explain to their voters—and themselves—what went wrong during their first six months in Washington. The reports:

GEORGIA'S ELLIOTT LEVITAS. When Levitas, 44, went to Washington last January, he was not as optimistic or naive as many members of his entering class. For nearly a decade, Levitas had been in and around the state legislature, learning that lawmaking, like politics, is the art of the possible.

Levitias is less willing than many of his classmates to put the blame for Con-

gress's failures on the shoulders of the Democratic leadership, but even he criticizes the top echelons for not heeding the advice of their troops. "One of my children could have told them that the 23¢ gas tax would be beaten 4 to 1," he says. "Leadership was told there was no way, but it wouldn't listen."

Levitias also strongly feels that Congress gives itself far too many recesses and vacations at a time when there are pressing problems to be solved. "If we want to restore the confidence of people in government, we've got to stop that." As he roamed his district, Levitas also reported that people were fed up with both the executive and legislative sides playing partisan politics. Says he: "They perceive a great deal of contrived confrontation on both sides."

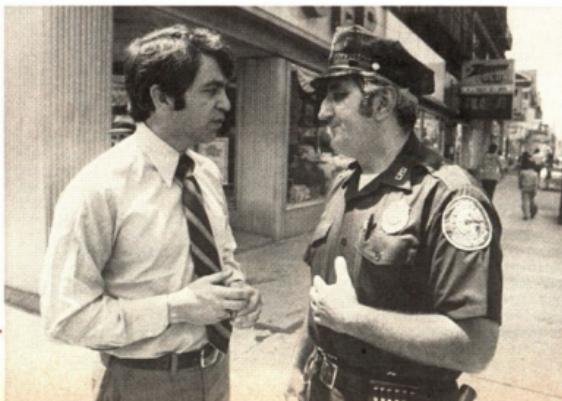
MASSACHUSETTS' PAUL TSONGAS. He campaigned on the slogan "This Democrat can make a big difference in Congress." Today, a half-year into his term, Tsongas, 34, is hard pressed to pinpoint what he has been able to do that has made any real difference to anyone. He admits: "This has been a manic-depressive six months."

Tsongas' disillusionment began when 22 Democrats voted with the Republicans to sustain President Ford's veto of the jobs bill. For the first time, he realized the extent of power wielded by a President in league with a disciplined, albeit minority party, v. a mammoth but unruly majority in Congress. Advocating stronger party discipline, Tsongas became the spokesman for a group of dissident Democratic freshmen that last month persuaded Speaker Albert and Majority Leader O'Neill to sit down and discuss the problems of leadership. (To date, nothing but some good

LEVITAS BROADCASTING IN ATLANTA

RONALD WOOD

RONALD WOOD



TSONGAS TALKING TO LOWELL POLICEMAN

OPINION

New Lobby in Town: The Greeks

Nonexistent a year ago, forged on the anvil of a single issue, one of the most effective lobbies in Washington today is that of Greek Americans. Their grievance is the Turkish occupation of Cyprus, and they have had remarkable success in helping persuade Congress to cut off military aid to Turkey because of its invasion of the Mediterranean island country. Greece and Turkey, of course, are NATO allies; in legitimate pursuit of their special concerns, the Greek Americans have complicated U.S. efforts to mediate an already complex situation on NATO's southern flank.

Cyprus has a long history of conflict between the Greek majority and Turkish minority who inhabit it. Too often

in recent times, the Turks have been second-class citizens. But under the rule of Archbishop Makarios, a reasonable if at times precarious *modus vivendi* had been achieved, and an independent Cyprus was prospering. Then a year ago, the junta of Greek colonels who governed Athens and whom the U.S. supported fomented a coup on Cyprus. It was led by 650 Greek military officers commanding the 10,000-man Cypriot national guard. The Turks, suspecting that the intent was to make Cyprus part of Greece and further suppress the island's Turkish minority, attacked and occupied Cyprus, uprooting 200,000 Greek Cypriots, and partitioned the island to their own advantage.

will has come out of the meeting.)

The lesson that the Congressman from Lowell has learned is that "Congress is gun-shy about being ahead of the country. It wants to be damn sure there is consensus before it sticks its neck out. The freshmen don't see themselves in this role. We want to be the action. Given the fact that there is nothing going on in the White House, we would like to lead, not just act like the recorder writing down what the latest poll confirms."

Since Tsongas has concluded that the White House will win every confrontation over a veto, he thinks the most helpful thing the freshmen might do would be to take an active role in choosing the next Democratic nominee for President. Says he: "Perhaps we can act as a sounding board for presidential candidates, asking them to appear before us and coming to some conclusion as to who is acceptable and who is not."

MICHIGAN'S ROBERT CARR. A 32-year-old lawyer exuding energy and nerve, Carr was elected last fall by railing against the old-fashioned Congress where one got along by going along. No sooner had he arrived in Washington than Carr began a slow burn over the Democratic leadership, which culminated in his appearing on the *Today* television show last month and calling for the resignation of Speaker Carl Albert. "My constituents aren't blaming me for Congress's failures," says Carr. "In fact my mail has been overwhelmingly favorable."

As he whizzed about his district last week or held court in a newly carpeted office in the old Federal Building in Lansing, Carr promised that he would keep on trying to stir up the House's aging and somnolent tigers. Said he: "You hope that the Speaker and the majority leader [Tip O'Neill] are looking out

The invasion and occupation spontaneously unified the roughly 3 million people of Greek descent in America. Until then, they had been bitterly divided over the dictatorial government in Athens, which ended when the junta resigned in the wake of widespread civilian unrest in Greece after the Cyprus defeat. Greek Americans were outraged by the Turkish aggression, regardless of its justification, and besieged the U.S. Congress with demands that American military aid to Turkey be withheld.

This led to a congressionally mandated cutoff of aid to Turkey effective last February, though other factors played a major role: 1) the Turkish use of American military weapons on Cyprus clearly violated U.S. laws banning their offensive employment and a specific agreement between Washington and Ankara against shipment of such weapons to Cyprus without Wash-

ington's knowledge.

CALIFORNIA'S NORMAN MINETA. "People are unhappy about our performance," admits Mineta, 43, who represents the San Jose area. "They keep saying, 'Cripes, why don't you guys do something?'"

The newly elected chairman of the Freshman Democratic Caucus, Mineta has often been appalled by the bumbling leadership of the Democrats. While a reformer himself, Mineta thinks party discipline should be enforced more rigorously, particularly on attempts to override presidential vetoes. Mineta also confesses that he and his fellow freshmen have often been outmaneuvered by the party's veterans. "We're young bucks, and we don't yet know the ins and outs."

Meeting the voters 18 hours a day last week, Mineta found Congress under sharp attack for what seemed to be all the nation's ills, nor did Mineta get off easily. "Half the people here are worried about inflation," he explained later, "and the other half are worried about unemployment. I'm damned if I do and damned if I don't."

Facing up to the situation—and the likelihood of a tough election fight in 1976—Mineta says, "There's not much in terms of legislative substance that we can point to. The electorate deserves better than it's been getting. We've got to press."

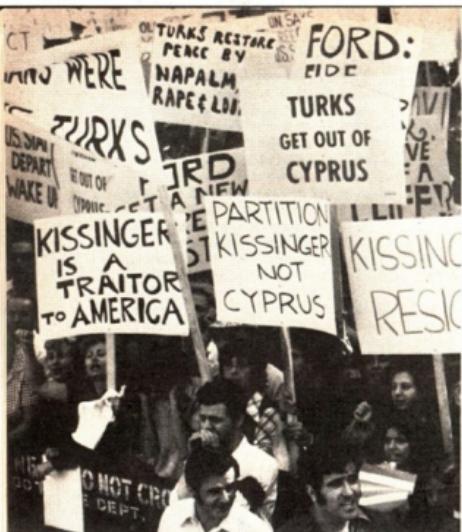
JOHN MADILL



CARR SOUNDING OUT AUTO WORKER IN LANSING



MINETA IN A SAN JOSE HOSPITAL



PRO-GREEK DEMONSTRATORS IN CHICAGO RALLY
Spontaneous unity in a divided community.

ton's consent; 2) Congress was growing increasingly restive over what many legislators considered Secretary of State Henry Kissinger's highhanded management of U.S. foreign policy.

Now the Greek lobby is regearing for a new assault on Congress. The Senate in May yielded to Administration pleas and decided by just one vote to end the ban on arms to Turkey. A House committee will take up the issue this week, and a floor vote is expected by mid-July. But if aid is not resumed this month, Ankara has vowed to require "renegotiation" of U.S. military installations in Turkey—meaning that Ankara might close U.S. bases that Washington considers vital.

Rule of Law. How does this newest ethnic lobby function? In Congress the American Greek community has worked mainly through Senator Thomas Eagleton of Missouri and Congressmen John Brademas of Indiana, Paul Sarbanes of Maryland and Benjamin Rosenthal of New York. Only Brademas and Sarbanes are of Greek extraction (there are only three other Greek Americans in Congress: Representatives Louis "Skip" Bafalis of Florida, Paul Tsongas of Massachusetts and Guy Yatron of Pennsylvania). None of them consider themselves part of a Greek lobby. "We prefer to think of ourselves as the rule-of-law lobby," says Brademas, whose 475,000 constituents include only about 450 Greek Americans. Explains Sarbanes: "We have simply sought to enforce a provision of the existing law. We do not feel the U.S. should sanction aggression."

They also share a common antagonism toward Kissinger's obvious reluc-

THE NATION

tance to share foreign policy decision-making with Congress, most notably on the Cyprus issue. Contends Rosenthal: "No doubt dealing with Brademas, Sarbanes and myself is less exciting than dealing with Mao and Brezhnev, but he [Kissinger] must deal with us and with other members of Congress because we reflect the will of the American people." That could possibly be true, but it is precisely because the Cyprus situation has stirred relatively little public debate in the U.S. that a concentrated lobbying effort can have great impact.

While Eagleton and three Congressmen have championed the cause, the pressure has been generated by a complex of Greek-American organizations. Most effective has been the American Hellenic Institute, founded last summer. The institute has a full-time lobbyist in Washington and is headed by Eugene Telemanus Rossides,

sides, a former Nixon-appointed Treasury Department official and a well-connected Republican attorney (he is a law partner of former Secretary of State William Rogers). Son of a Greek mother and Greek-Cypriot father, Rossides argues that the Cyprus crisis "exposed the myth of Kissinger's competence as a negotiator," and that the Turkish aggression was "equal to if not worse than the Soviet aggression against Czechoslovakia and Hungary and Hitler's aggression against Czechoslovakia and the Balkan nations." Such inviolable rhetoric aside, Rossides' group has efficiently spearheaded the lobbying.

Two long-established Greek-American institutions have provided vital grass-roots support, stimulating the mail campaigns. One is the Greek Orthodox Church, headed in the U.S. by Archbishop Iakovos, who set up 50 state committees after the Turkish invasion to raise money for Greek-Cypriot refugees (collections so far: \$1.3 million) and to urge letters to Congressmen. Iakovos has personally pressed the issue with President Ford, Massachusetts Senator Edward Kennedy and Democratic Presidential Contenders Henry Jackson and Lloyd Bentsen. The other is AHEPA (American Hellenic Educational Progressive Association), the Greek-American fraternal order, which has 400 chapters and about 50,000 members, as well as some 700 chapters of auxiliary organizations for women, boys and girls. AHEPA headquarters raised \$165,000 to run newspaper-ad campaigns and to solicit letters; it sent delegations to Ford, Kissinger and Under Secretary of State Joseph Sisco.

A publicity campaign has been

pushed by the Greek embassy in Washington, which has hired the public relations firm of J. Walter Thompson to advise it. The embassy has also retained William Ruckelshaus, the former Deputy Attorney General who was a victim of Richard Nixon's Saturday Night Massacre, to argue against military aid to Turkey on Capitol Hill. Legislators describe his efforts as "low-key but effective." The embassy's most visible publicist has been John Nicolopoulos, former political science professor who fled the Greek junta and has acquired influence among Washington newsmen and congressional staffers.

Hard Work. There are some 20 Greek-American organizations, about 20 of which have sprung up because of the Cyprus crisis. Much of their effort will now be coordinated by an organization set up for that purpose in Boston last month. Called the United Hellenic American Congress, it is headed by Andrew Athens, president of the Chicago-based Metron Steel Corp. Among the group's supporters have been New York shipowners George Livanos, Pericles Callimanopoulos and the Goulandris family. Most of the shipowners' contributions have been to aid Greek-Cypriot refugees. Such prominent Greek Americans as former San Francisco Mayor George Christopher, California investment millionaire James Zisis and Mayor Lee Alexander of Syracuse, N.Y., have worked hard in the lobbying drive. An ad hoc group, the Hellenic Council of America, was founded last summer by Columbia University economist Professor Phoebus Dhrymes to enlist academic and professional people in the campaign.

Kissinger has responded to the Greek-American criticism by meeting four times with the AHEPA leadership.

AMERICAN HELLENIC INSTITUTE'S ROSSIDES



You've taken your
last rough puff, once
you come up to
the smooth taste
of extra coolness.
Come up to KOOL.



Warning: The Surgeon General Has Determined
That Cigarette Smoking Is Dangerous to Your Health.

Now, lowered tar KOOL Milds

KOOL
Milds

13 mg. tar,
0.8 mg. nicotine

Milds, 13 mg. "tar," 0.8 mg. nicotine; Kings, 16 mg. "tar," 1.2 mg. nicotine;
Longs, 17 mg. "tar," 1.2 mg. nicotine, av. per cigarette, FTC Report Apr. '75

*I tried it and it's true!
I didn't believe it at first.
But you Hiram Walker people
gave it to me straight.
Ten High really is rich
smooth and flavorful...
everything I'd expect
a true bourbon to be
except expensive.*

*Tom Brunelle
San Francisco,
Calif.*

TEN HIGH

Bourbon Straight and True



Justice for Cyprus Committee and several times with anti-Turkish-aid Congressmen. He has refused to budge in advocating aid to Turkey and has criticized the opposition as misguided and not in the best interests of the U.S. Kissinger also has found one Greek American, Rochester lawyer Dennis Livadas, who has agreed to try to organize a minority lobby within the U.S. Greek community to support the Administration.

To complaints by Greek Americans that he should have warned the Turks that invading Cyprus would be a breach of aid agreements, as Lyndon Johnson did so effectively in 1965, Kissinger has argued that would have been interpreted as support of the Athens junta—a U.S. stance for which he was already under fire. While some of his aides have conceded that Turkey violated U.S. military aid laws, Kissinger insists they are bad laws. With merit, the pro-Greece lobbyists counter that laws, good or bad, must be obeyed. Indeed, when India and Pakistan went to war, using U.S. arms, in 1965, the Johnson Administration itself suspended aid to both combatants.

Still, another barrage of anti-Turkey mail is hitting Capitol Hill, and it is now up to the House of Representatives to make its difficult decision. There is no comparable Turkish lobby active in Washington. The case for Turkey is, instead, being made vociferously and with potent political arm-twisting by the Administration. As in the Senate, the final House vote is expected to be close.

POLITICAL NOTES

Once More with Feeling?

Despite his promise to South Dakota voters during his Senate re-election campaign last year that he would not be a candidate for the presidency in 1976, George McGovern may be having second thoughts. In May, McGovern held a five-hour private meeting with several advisers and aides to explore the question of whether or not he should become a candidate. The group's conclusion: he should not, at least for the moment. But other urges appear to be driving the Senator, who two weeks ago sent a "personal and confidential" letter to about 50 friends and former backers, asking for their comments on three options he felt were now open to him: declaring his candidacy, endorsing the candidacy of another liberal, or issuing a statement indicating which of the announced Democratic candidates "is unacceptable" to him.

Though the letters added that "as things stand now I do not intend to be a candidate," McGovern is known to have the presidential itch. Some of his friends say he firmly believes that the "dirty tricks" and other campaign irregularities of the Nixon forces cost him the race, a contention most political analysts find plainly irrational; they main-

tain that, shoddy tactics aside, Richard Nixon still would have won handily. What are McGovern's chances, should he decide to declare? In a recent private poll, McGovern, according to one party insider, does "very poorly." A Harris poll in June, which presented Democrats and Independents with 23 possible nominees, had McGovern ending up a poor sixth.

Big Jim's Hat

In his four years as U.S. Attorney in Chicago, James R. ("Big Jim") Thompson has racked up a stunning crime-busting record. He has indicted 356 federal, state and local officials, as well as 89 Chicago policemen, winning conviction in 90% of the cases so far resolved. Among the most prominent were the conviction of former Illinois Governor Otto Kerner on charges of bribery, tax evasion and mail fraud, the conviction of six Chicago aldermen on charges of mail fraud, conspiracy and bribery, and the successful prosecution of Mayor Richard Daley's press secretary on charges of mail fraud. A strapping (6 ft. 6 in.) blond bachelor, 39, Thompson has long seemed a natural for public office.

JAMES DEREE



THOMPSON ANNOUNCING CANDIDACY
Wary of Daley.

and last week, on the day after he resigned as U.S. Attorney, he announced his candidacy for the Republican nomination for Governor of Illinois in 1976.

Thompson's opposition for the nomination, conservative Republican Richard Cooper, chairman of Weight Watchers of Chicago Inc., is thought to be negligible. Thompson's real challenge will be to defeat incumbent Democrat Daniel Walker, 52, a tough party maverick who walked the state to win election three years ago in defiance of Richard Daley's political machine. Along with his impressive track record, Thompson enters the race, according to a survey conducted by Market Opinion Research of Detroit Co., with a 75% statewide recognition factor and a job

approval percentage of 80. In a recent telephone poll conducted in the nominally Democratic city of Rockford, northwest of Chicago, Thompson polled 44% to Walker's 40%.

But Thompson has never run for public office, and in addition to recruiting a staff and boning up on issues, he must be wary of Daley. The mayor is often at odds with Walker but is hardly a fan of Thompson's. The candidate was careful to point out as he made his announcement that he saw no reason for the mayor to conduct "a vendetta against me," adding that as a prosecutor he had never uttered "a single word of personal animus" against Daley.

Swainson Indicted

Michigan's John Swainson has in his 49 years made good over and over again. Captain of the high school football team in Port Huron and an Eagle Scout, Swainson went on to serve with distinction in the 95th Infantry Division during World War II, losing both legs just below the knees in a mine explosion. He won election to the Michigan state senate in 1954 and then served two-year terms in succession as the State's Lieutenant Governor and Governor. After his defeat by George Romney, Swainson served as a circuit court judge before being elevated to an eight-year term on the state supreme court in 1970.

Bribery Charge. So distinguished was his record that Swainson seemed a likely candidate for the U.S. Senate seat of Philip Hart when Hart retires next year—until last April, when word came down that Swainson was under investigation on bribery charges. Last week a federal grand jury in Detroit handed up a seven-count indictment of Swainson, charging that in 1972 he accepted \$20,000 from a convicted thief in exchange for securing a supreme court review of the man's conviction. Swainson has entered a plea of not guilty.

SPINA—DETROIT FREE PRESS



MICHIGAN'S JOHN SWAINSON
A plea of not guilty.



SUBMITTED BY SANITATION

STRIKING NEW YORK SANITATION WORKERS & ROTTING GARBAGE



"You should have been here in the old days, before the budget cutbacks . . . there were cops and fire engines and planes buzzing around . . ."

GOVERNMENT

Rescuing New York, and Other Tales

Down Manhattan's Fifth Avenue one morning last week, a group of young choirboys marched on their way to a picnic, hopping gaily and singing *Nearer, My God, to Thee*. The rest of the city was not so blithe. In the third day of a wildcat sanitation workers' strike, mounds of garbage were rising on the sidewalks, rotting in the July heat. At night, especially in the slums of the South Bronx and Harlem, trash fires flickered and fumed in the streets like smudge pots—and, of course, there were not enough firemen to cope. "Fun City? Fear City?" the head of the firemen's union said historiansly. "This is a burning city—a dying city."

Actually, it was merely old New York—debt-ridden, overextended and underserviced—crippling through another week of crisis in its accustomed position just at the edge of the precipice. All spring, New York City had been staving off bankruptcy, partly through a new arrangement for borrowing, partly by promising drastic layoffs of some of the 338,000 workers on the city payroll (TIME, June 23). Last week, as the new fiscal year began, 19,349 workers had been dismissed, and another 20,000 were scheduled to be fired. More than 5,000 cops turned in their badges and pistols. More than 2,000 firemen were laid off and 26 firehouses closed. Nearly 3,000 of the city's 10,600 sanitation workers were dismissed.

The cuts in such areas as fire, police and sanitation seemed disproportionately high to some, who accused Mayor Abraham Beame of making such inflammatory reductions to increase his leverage with the state in Albany. In fact, firing workers in welfare, health services and some other fields would have saved less money; much of those

salaries is paid from federal and state funds.

The Patrolmen's Benevolent Association accepted the layoffs, though with bitterness and threats of work slowdowns. Firemen called in sick in record numbers. The sanitation workers, with the token protest but implicit approval of their union leadership, illegally left their jobs, promising to turn New York into "Stink City" and shouting from picket lines, "Wait 'til the rats come!"

For three days, as the garbage festered, Mayor Abraham Beame quickened his shuttle negotiations with Albany, trying to find a new accommodation for the city. The task was considerably complicated by Beame's being caught in a political crossfire between Democratic Governor Hugh Carey and State Senator Republican Leader Warren Anderson, who tied any increase in state aid and taxing power to increased school aid for his suburban constituency.

Rewarding Strike. At last, Albany and the Big Apple threw together another financial arrangement: Governor Carey and Anderson compromised on an agreement to grant the city \$330 million in new taxing powers—money to be raised mainly in the form of levies on bond sales, banks and corporate franchises, a painful step in a city where taxes are already higher per capita than anywhere else in the U.S.

The sanitation men then ended their strike under an extraordinary arrangement that in effect allowed them to buy their jobs back. All of the laid-off sanitation men were reinstated, at least for the time being. In return, the sanitation union advanced \$1.6 million to the city to pay their salaries until state money became available. The plan infuriated



PROTESTING POLICE BLOCKING TRAFFIC ON BROOKLYN BRIDGE
Crippling through a crisis in Fun City.

many policemen and firemen, even though 44% of the dismissed cops and 35% of the laid-off firemen were rehired. At the same time, 18 of the firehouses that had been closed were reopened. The city offered to take back more policemen and firemen if their unions could come up with escrow funds as the sanitation men had. Said City Council President Paul O'Dwyer: "It makes us look like we're rewarding sanitation men for going out on strike."

It was sadly typical that the "solution" amounted to a blurry, last-minute patch-up—an outcome that in fact might have been worked out weeks before. The settlement bought time, but New York still faces serious financial problems that can only be solved by continuing austerity—a difficult policy when the large, tough civil service unions can

throw the city into chaos any time their swollen contracts are threatened.

Brinkmanship is an old New York political habit. Now, however, the state faces its own huge budget deficit. New York City is taxed to the breaking point. Accounting gimmicks, such as the familiar habit of putting current expense items into the capital budget, which is supposed to cover construction projects, have at last caught up with the city.

■ ■ ■
New York's problems are a *memento mori* to other state and local governments. Last week neighboring New Jersey and Pennsylvania were suffering through difficulties that, though less acute than New York's, reflected common themes—an inability to compromise, a breakdown in the eleventh-hour bargaining that used to work when gov-

ernments, unions and taxpayers came to the brink. On a more fundamental level, the problems suggested that states and cities are more and more coming up against very hard choices: What public services must be dispensed with or cut back if there is simply not the money to pay for them?

In Pennsylvania, more than 50,000 state workers, including prison guards, welfare department employees, transportation workers, hospital orderlies and nurses, went out on strike after reaching an impasse on their demands for a 10% salary increase on top of other automatic raises as high as 5.5%. It was the first statewide public employees' strike in Pennsylvania's history. Finally, they settled for a two-year package giving them a total 12% increase.

Unpopular idea. Painful money issues also absorbed New Jersey Governor Brendan Byrne who has labored for months to get the state legislature to approve a state income tax that he says is necessary to finance public education. The income tax is a disastrously unpopular idea in New Jersey. The recession has hit the state especially hard—unemployment is 13%. State revenues have fallen off, and Byrne's projected budget for this year contained a deficit estimated at \$384 million.

Byrne has started laying off some 4,500 state workers, cutting state aid to public transit and local education and otherwise trimming back. The senate has begun passing a series of nuisance taxes on cigarettes and other items, but is adamantly against the income tax. Says State Senator Alexander Menza of his colleagues: "They think they have a choice between doing what's right and keeping their special license plates. They would rather keep the plates."

Burial at Pine Ridge

On a grassy rise overlooking an Indian ranch on South Dakota's Pine Ridge reservation last week, a cluster of Oglala Sioux mourners gathered to bury Joseph Bedell Stuntz, 23, an Indian killed two weeks ago in a shootout with two FBI agents, who also lost their lives. The day before, FBI Director Clarence Kelley attended services in Southern California, where the two agents were buried with honors.

More than 150 federal agents continued their search across the 2.7 million-acre reservation for the 16 Indians believed responsible for the FBI men's deaths. A possible motive for the shootout was found. Some 300 yds. behind the cluster of houses where the shooting took place, Indians had stashed an impressive store of weapons and explosives. The agents sought simply to arrest a kidnapping suspect; but the Indians may have feared they were about to discover their cache, panicked and opened fire.





60,000-MILE ENGINE GUARANTEE.

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tougher than
the leading
import.

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And that's 36,000 miles tougher than the leading import's engine guarantee.

Chevrolet guarantees to the owners of 1975 Chevrolets equipped with a 4-cylinder engine that any authorized Chevrolet dealer will make repairs, without charge to the owner, during the term of the guarantee, to the cylinder block, cylinder heads, all internal engine parts, the intake and exhaust manifolds and water pump, made necessary because

of defects in material or workmanship.

This guarantee is in addition to the New Vehicle Warranty, but does not apply to repairs required because of misuse, negligence, alteration, accident or lack of reasonable or proper maintenance.

This guarantee is available to earlier purchasers of 1975 Vegas and 4-cylinder Monzas. These owners can purchase the additional coverage through any Chevrolet dealer before October 1, 1975.

37 MPG.

Vega's engine is economical as well as tough. The 1975 Chevy Vega Notchback equipped with the standard 3-speed manual transmission and the available 140-cubic-inch, 2-barrel engine is rated at 37 mpg in the U.S. Government EPA Federal highway test. And 23 mpg in the EPA city test.

\$2836.

That's the Manufacturer's Suggested Retail Price for a Vega Notchback, including the available 140-cubic-inch, 2-barrel engine at \$50.00 and dealer new vehicle preparation charge. Destination charges, other available equipment, state and local taxes are additional.

VEGA.

A 60,000-mile engine guarantee on a car that's rated at

37 mpg and that's

priced well under \$2900. That's Vega Notchback.

And on any new 140-cubic-inch, 4-cylinder '75 Vega that you buy from now on, whether you take 3, 4 or even 5 years to go 60,000 miles makes no difference. You're covered by one tough engine guarantee.

Chevrolet can do this because Vega is one tough car.



Vega Notchback

34 MPG.

The Monza Towne Coupe, equipped with the available 2.3-litre, 2-barrel engine and 5-speed manual transmission, is rated at 34 mpg in the U.S. Government EPA Federal highway test. And 21 mpg in the EPA city test. That's gas mileage that rivals the imports. Monzas with this equipment are now on their way to Chevy dealers and are subject to limited availability. Sorry, air conditioning not available with the 5-speed.

MONZA.

We've been suggesting all along that you should see your dealer and test-drive one of his newest Chevrolets: the sporty Monza 2+2, Monza S Hatchback or dressy Monza Towne Coupe.

Now, with a 60,000-mile engine guarantee on 4-cylinder models, Monza makes more sense than ever.

That's another reason why we're saying, don't make any deal until you've seen your Chevrolet dealer.



Monza Towne Coupe

Chevrolet

In California, see your Chevrolet dealer for EPA mileage figures and M.S.R. Prices on California emission-equipped cars.

The Morning After the Fourth: Have We Kept Our Promise?

British Critic Sir Denis Brogan liked to tell about an incident that happened just after President Andrew Jackson died. A visitor attending his funeral asked one of Jackson's slaves whether he thought the general would go to heaven. The slave replied, "He will if he wants to." Brogan added the moral: General Jackson was and is a symbol of the typical American.

Perhaps not so typical any longer. The belief that America can go to heaven if it wants to, indeed that it has created a kind of heaven on earth, has been badly damaged lately. Last week's Fourth of July rhetoric was more resounding than ever. At Baltimore's Fort McHenry, where Francis Scott Key wrote the national anthem in 1814, President Ford said that in America's third century, "quality and permanence should be the measurements of our lives" and "mass production, mass education, mass population must not smother individual expression." Surveying the U.S. as it entered its 200th year, the President found "a free government that checks and balances its own excesses, and a free economic system that corrects its own errors, given the courage and constructive cooperation of a free and enlightened citizenry." In Stavanger, Norway, at ceremonies commemorating the 150th anniversary of the sailing of the first Norwegian immigrant ship to the U.S., Senator Hubert Humphrey lauded "these pioneers" who "brought with them no riches but skill, perseverance and confidence."

What with the Bicentennial, such rhetoric will probably continue unabated, instead of being put away for another year. Yet on the morning after the Fourth, perhaps we should ask ourselves just how free and enlightened we are, and whether the sons of those pioneers are as persevering as were their fathers. In short, just what are we celebrating—beyond mere survival, which in itself is no mean achievement?

The founding of America was not just a political event, the breaking away of some dissatisfied colonies from a shortsighted and selfish mother country. It was also an act of political philosophy and faith. It was a promise, as Archibald MacLeish put it, a promise to the colonists, to their descendants and to the world at large. The promise was contained in the Declaration of Independence: that people could govern themselves; that they could live in both freedom and equality; and that they would act in accord with reason—reason being a divine attribute, God's light for and in man.

Although the Declaration is today regarded as a semi-sacred text—and like most such texts, not read very carefully—it has often been attacked. Santayana called it a piece of literature, a salad of illusions. Carl Becker, a noted student of the Declaration, decided in the 1920s that it was "founded upon a superficial knowledge of history ... and upon a naive faith in the instinctive virtues of human kind ... This faith could not survive the harsh realities of the modern world." It is certainly hard to imagine that the Declaration could be adopted today. Life, liberty and the pursuit of happiness? What is life, the biologists would ask, and what kind of life, the sociologists would

demand. *What* liberty, both radicals and conservatives would cry. You don't mean happiness, but an integrated, autonomous personality, the psychologists would insist. As for equality, the disagreements would be bitter. The doctrine of natural, inalienable rights would be hotly denied by most philosophers. And the Creator would probably be kept out of the document with derision, or admitted only with empty piety.

Not long ago, a group of students in Indianapolis showed copies of the Declaration of Independence to several hundred people and asked them to sign it. Most of them refused; quite a few thought it sounded dangerous. It is easy to laugh at them, but perhaps they were saying in their own way that the Declaration is still a potent and even radical document.

What has happened to our view of the Declaration since it stated the American promise? Chronologically, it is still close. Jefferson died when Lincoln was 17. Lincoln died when Woodrow Wilson was eight. Wilson died when Gerald Ford was ten. But these haunting links of the generations matter little compared with the new American reality. Obviously the sense of self-reliance, the belief in their ability to cope, that animated the early Americans is hard to duplicate in a world of fearsome crowds, ever increasing and ever more specialized knowledge, and stifling public and private bureaucracies.



Quantitative change, however, no matter how overwhelming, never completely invalidates philosophical and moral principles. Moreover, change brings with it the means of adjusting to change. Knowledge has exploded, but the computer makes it easier to keep up with it. Modern communications make the direct debate of the town meeting obsolete, but they also help a Ralph Nader carry his protest to the country. Mass production may rob people of the satisfaction felt by the craftsman, but it also brings comfort, variety and independence into their lives. The real crisis of the American promise goes deeper.

One trouble is the decline of our belief in reason as an instrument. Increasingly, we have substituted emotion for reason. Psychology has told us that seemingly rational arguments are determined by hidden and irrational forces inside ourselves, difficult if not impossible to reach. Positivist philosophy has told us that ethics is merely a game of words and that moral judgments are only opinions. In an odd and coincidental alliance, pop culture and recent radical theory gave us a kind of debased romanticism, glorifying feeling over thought, will or desire over reflection, violence over politics, and instant satisfaction over anything else. In retrospect, those famous slogans of the '60s, "Freedom now!" and "Nonnegotiable demands," are appalling not for their goals but for their irrationality.

A second danger to the American promise involves a conflict over self-interest. As Author-Editor Irving Kristol has pointed out, the founders' basic idea was that the pursuit of every man's self-interest was the most reliable motivation on which to build a political system, provided it was "rightly understood" and curbed by political checks and balances. The concept also required a measure of "civic virtue" or "republican morality," which meant a willingness to suspend the pursuit of immediate self-interest to act for the common good. This may always have

ESSAY

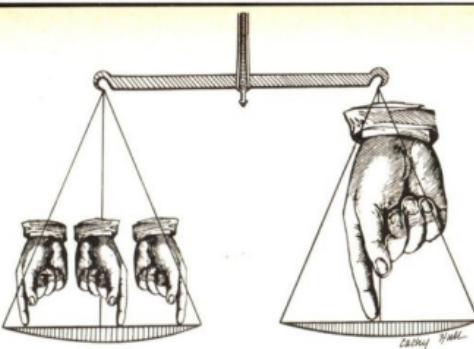
been more of an ideal than a fact. But today, more than ever, we see growing numbers of individuals and groups simply fighting for their immediate interest and gain, without regard for the goals or even the survival of the society as a whole. That is one cause of the recent pressing series of scandals in Government and private institutions; it is a part of the moral malaise, the sense of our having gone wrong somewhere, that afflicts the country. It can be argued that the task of defining people's true long-range self-interest and of mediating between contending groups is the task of leadership, which is bitterly lacking in America. But this is only a partial excuse. In a democracy, there must be an interaction between leaders and followers. In that sense, leaders must be led.

A third threat to the American promise concerns equality. The Declaration's assertion that "all men are created equal" has always been the most embattled of its "self-evident truths." Philosophers and politicians consistently attacked the idea. "The cornerstone of democracy is a natural inequality, its ideal the selection of the most fit," declared Nicholas Murray Butler. The bitter debate about slavery centered on the belief that neither God nor nature had created men equal in strength or gifts.

But gradually there developed what might be called a respectable American consensus that all people are or should be equal in intrinsic human dignity, equal before the law, and should have equal opportunities in education and employment. We obviously have not lived up to that consensus, though progress has been made toward it. But even as we struggle, more or less sincerely, to improve equality of opportunity, a new and alarming demand is being put forward: the demand for equality of result. In brief, this theory holds that natural inequalities of birth, strength, intelligence and ability are inherently unfair and that justice requires society to compensate for such inequalities. One of the leading proponents of this view is Harvard's John Rawls, who argues in his book *A Theory of Justice* that "equality of opportunity means an equal chance to leave the less fortunate behind in the personal quest for influence and social position." Rawls would allow some inequalities, provided that they benefit the less advantaged members of society. Nevertheless, his view leads logically to the elimination of meritocracy, to quotas in education and other fields, and to drastic redistribution of income.

All this is no longer a matter of theory. The recession and a certain disillusionment with the expansive social remedies of the 1960s may have made us more cautious in what we hope society can accomplish. At the same time, as Sociologist Daniel Bell pointed out in FORTUNE recently, we are facing a revolution not merely of rising expectations but of rising entitlements—a staggering increase in the number of things people feel they are entitled to, regardless of their own productivity or contribution to the economy. In the 1960s, says Bell, the Government "made a commitment, not only to create a substantial welfare state, but to redress all social and economic inequalities as well." If this course is pursued, it would mean not only permanent inflation, but the disappearance of those incentives that create capital. Or, putting it another way, the shrinking of the very income that is to be redistributed. Above all, it would mean a further expansion of bureaucracy and the power of the state.

This is not an argument against society's providing a floor of safety for everyone, nor a plea against fighting much harder for true equality of opportunity. But carrying equality of results to its logical end would mean the ultimate destruction of the American promise. The ultimate choice is not between equality and inequality, but between different kinds of inequality. Socialism, for instance, promises (on the whole, falsely) economic equality, but in most cases at the price of political equality. In the final analysis,



total equality can be enforced only by total tyranny.

What of the American promise to the world? Despite the doctrine of "manifest destiny" and certain episodes in Mexico and the Philippines, until World War I Americans widely agreed with the view that their country should lead by good example—or as Hayne Davis, a writer on international affairs, put it in the *Independent* in 1903, "simply to let her light so shine, by wise conduct of

her own home affairs, that other nations may see her good works and adopt the political principle which has been her source of power." This passive, if naively arrogant belief was transformed into a crusading spirit by Woodrow Wilson's call that Americans must fight to make the world safe for democracy. Except for one serious interlude of isolationism, this view remained at the heart of American foreign policy until Viet Nam, and it was shared by many of America's friends. As recently as 1959, the French Dominican Father R.L. Bruckberger exhorted us thus: "Americans, Americans, return to the first seed you sowed ... Your task is to extend the Declaration of Independence to the whole world, to all nations and all races."

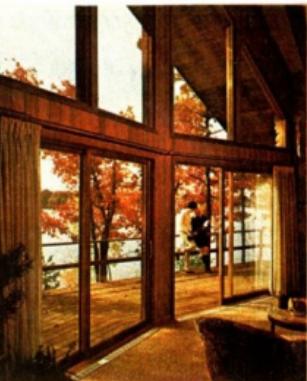
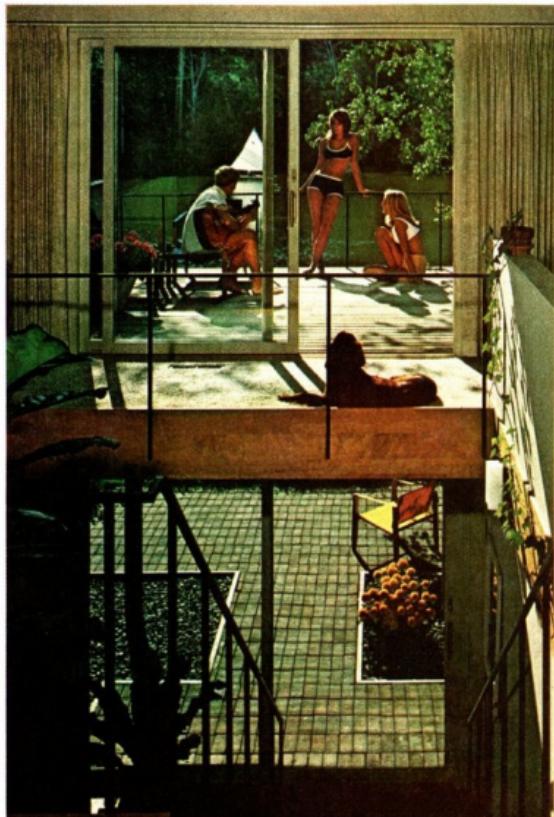
Hardly anyone today would dare to define the American promise in such grandiose terms. On the other hand, we can hardly return to the idyllic notion of leaving the rest of the world to its own devices except by setting an example. We may not be smart, rich or powerful enough to run the world, but we are certainly not smart, rich or powerful enough to maintain our prosperity and democracy in a world dominated by antagonistic forces and philosophies. To find the balance between more or less saintly isolation and crusading global zeal, between the danger of exhausting ourselves through untenable foreign commitments and imprisoning ourselves in an untenable American fortress—that is the difficult current task of American foreign policy.

Americans have always had a certain Manichaean attitude toward other nations—and indeed toward life itself. There was light and darkness, good and evil, success or failure—and no other choices, even within ourselves. The whole trend of American history and character has made us believe that an individual can be anything he aspires to be (can "go to heaven if he wants to"). That is a heady belief until he fails; then failure is all the more bitter because it is his own fault. The nation as a whole can do anything it aspires to, including transcend history and escape tragedy. That is a heady belief until history and tragedy catch up with us; then we meet them unprepared.

Could it be that America has simply promised too much? Both equality and freedom, both individualism and order, both growth and stability, both power and innocence—is it all more than can be accomplished? Perhaps. And yet—

The American promise of self-government in freedom, under law and with self-restraint, remains the most stirring and hope-giving in the catalogue of political systems. What is needed for its survival is a rigorous concentration on its meaning, including a concentration on some things the Declaration left out. Freedom, like the Declaration itself, is not a gift but a permanent demand on us to keep giving. Perhaps in our minds we need to insert in the Declaration some words like these: "... that all men are endowed by their Creator with certain inescapable duties, and that among those duties are work, learning and the pursuit of responsibility." For our attitude toward work still determines the kind of life we deserve; a willingness to learn, meaning an open mind both to the new and the old, is necessary to keep liberty real; a sense of responsibility, rather than hedonism alone, is necessary for that elusive goal of happiness. Finally, only the willingness to perform certain duties can guarantee our rights.

■ Henry Grunwald



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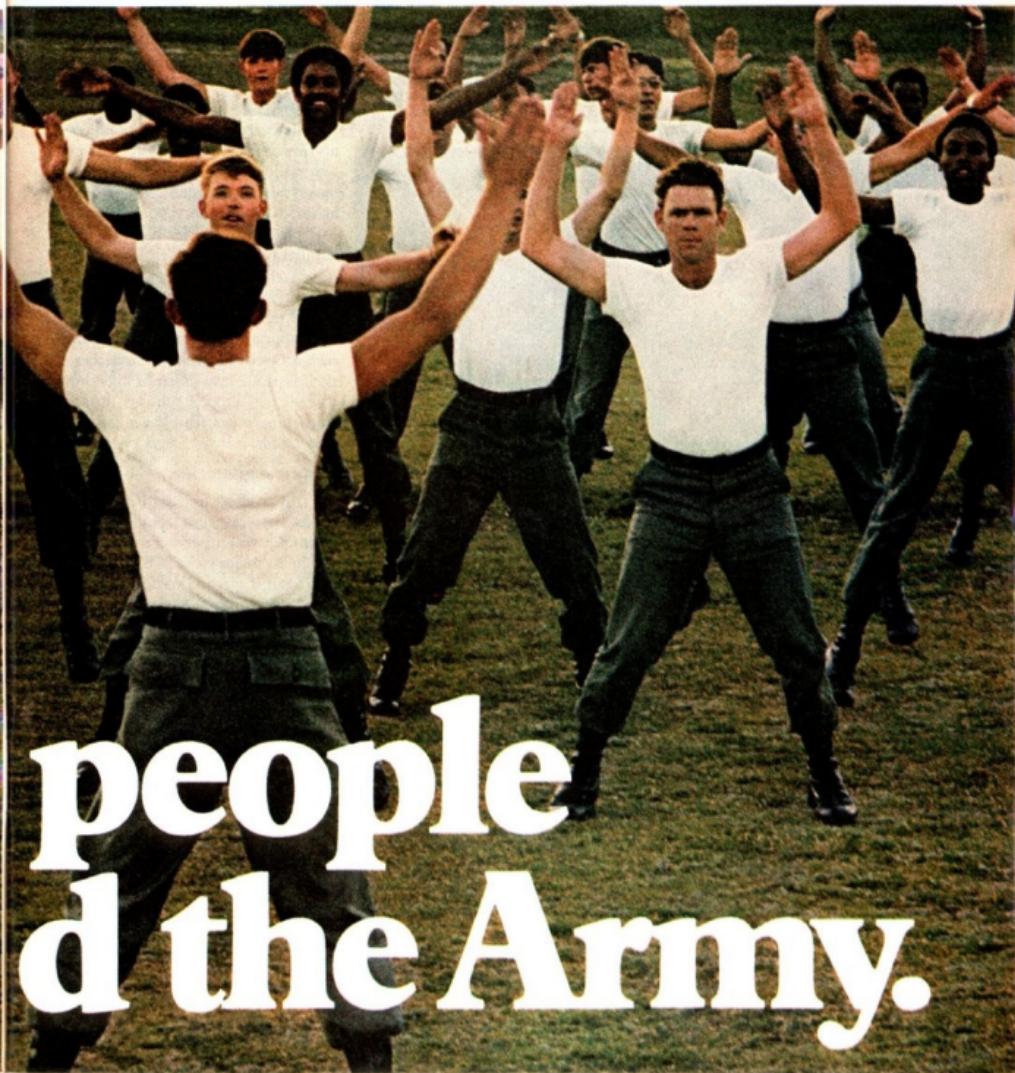
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PUERTO RICAN RUMS



INDIA

Indira Gandhi's Dictatorship Digs In

For a country living in a state of emergency, India seemed surprisingly normal last week. Shops remained open and crowds thronged the streets; trading continued on the stock exchanges and schools held classes; even the trains ran more or less on schedule. Indeed, for most of India's 600 million citizens, it apparently was business as usual. If anything, life in New Delhi seemed more orderly than ever: the typically mad swirl of traffic was restrained, and queues for buses were models of decorum.

State of Emergency. Despite the surface calm, however, reported TIME Correspondent William Stewart from New Delhi, there was no question that India and its imperious Prime Minister, Indira Gandhi, were struggling through a political crisis that would profoundly affect the country's future. The state of emergency, proclaimed on June 26 at Mrs. Gandhi's behest, had suspended political freedoms and given her near dictatorial powers. Banned were 26 minor political factions representing the most extreme leftist and rightist movements. More than 1,000 political dissidents—of all ideological shadings—already have been jailed, uninformed of the charges against them and with no hope for a speedy trial. Though their names have not been made public, government spokesmen admit privately that the prisoners include many leaders of India's opposition parties, as well as elder statesman Jayaprakash Narayan, 72, an associate of India's pacifist father-figure Mohandas Gandhi (see box following page).

Strict censorship has prevented the once lively Indian press (some 830 daily

newspapers) from printing anything other than official handouts about the crisis. Government proscriptions against "unauthorized, irresponsible or demoralizing news items" last week were extended from articles and editorials to cartoons, photos and even advertisements. This further muzzling of the press may have been in response to a few cases of surreptitious sniping at the government's measures; in Kerala, for example, one paper ran a cartoon depicting Mrs. Gandhi dressed as Louis XIV with a caption reading "I am India." The censors also closely monitored the dispatches of foreign newsmen. Last week the government summarily expelled Washington Post Correspondent Lewis M. Simmons, who had stirred official ire by reporting that the army did not solidly back Mrs. Gandhi.

Although it shocked world opinion, Mrs. Gandhi's suspension of civil liberties was technically within the bounds of India's constitution. Last week she defended her actions in a series of radio addressed and speeches. Instead of apologizing for suspending political rights, she emphasized that some authoritarianism was needed to thwart "a deep-rooted conspiracy" that would have "led to economic chaos and collapse," making India "vulnerable to fissiparous tendencies and external danger."

Using the kind of argument that has always been favored by dictators seeking to justify their abrogation of political processes, Mrs. Gandhi declared: "In India democracy has given too much freedom to people." Newspapers and opposition politicians, she added, "were trying to misuse [democracy]

and weaken the nation's conscience."

Apparently in response to the largely negative world reaction, Mrs. Gandhi tried to mend some foreign policy fences last week. Singled out for special attention was the U.S.—a nation for which she usually reserves biting sarcasm or sanctimonious criticism. When she received a group of visiting American teachers, the Prime Minister was all smiles, stressing that her country "is seriously trying for better relations with the U.S." and that President Gerald Ford would be welcome to visit India.

No Evidence. Despite the fusillade of accusations against the imprisoned political leaders, the government has released no evidence supporting its charges. Thus many veteran Western diplomats in New Delhi question whether there was any such alleged "conspiracy." To be sure, the opposition's determina-

PRIME MINISTER GANDHI IN NEW DELHI



THE WORLD

tion to gain power might have led to some violence, but it may also be true that Mrs. Gandhi views the imposition of a state of emergency as a convenient method of retaining power. Judging by her own statements and those of her supporters, there is little question that she equates her own survival as Prime Minister with the long-term welfare of India.

Sense of Urgency. As if to prove that, Mrs. Gandhi proposed a 20-point reform program that if enacted, might move India well along the path toward a socialist society. Among her proposals: liquidation of the debts of the rural poor, abolition of indentured labor, division and redistribution of large landholdings, increased public housing in rural areas, expanded irrigation networks, and severe new penalties for black marketeers, tax evaders and smugglers.

There was little in this sweeping reform program that had not been previously proposed. Thus some critics argued that it was primarily aimed at deflecting attention from the suspension of political liberties. They note that the

Prime Minister hardly needed an emergency to effect these reforms, because her Congress Party—which controls 355 of Parliament's 516 seats, as well as 19 of India's 22 state governments—has the power to vote into law any economic programs she wishes.

In fact, however, the ethnic and geographic differences within the huge country have often meant that enacted reforms were not vigorously enforced by the states, which have considerable power under India's federal system. With the new clout given the central government by the emergency, New Delhi may now be able to force the states to execute reforms. The emergency might also create a sense of urgency within the Congress Party and a willingness to close ranks even on the normally divisive economic issues.

The big question remains when and whether Mrs. Gandhi will relinquish her authoritarian powers. Senior government officials insist that the emergency will end "as soon as possible." According to some Western diplomats, that

timetable could mean anywhere from a year to 18 months. The Indian constitution requires that a state-of-emergency decree must be approved by Parliament within 60 days in order for it to remain effective. If the Prime Minister were to convene Parliament while opposition leaders are still imprisoned, she would be risking a potentially widespread outcry. On the other hand, freeing the political prisoners would allow them to use Parliament as a national platform from which to resume their attacks. Given the alternatives, Mrs. Gandhi may be tempted to ignore the constitution and not recall Parliament, but still insist that the emergency is in force.

Notion's Spirit. In her radio address last week, the Prime Minister declared: "There is a chance now to regain the nation's spirit of adventure. Let us get on with the job." Whether India in the future will be approaching that job peacefully and democratically is very much up to Mrs. Gandhi—and what she does in the next few months.

LAFONT—SIGMA

J.P.: India's Aging Revolutionary

If the agitation succeeds, it will engulf the whole nation within a year. This is a revolution. A total revolution.

—Jayaprakash Narayan, July 1974

When Prime Minister Indira Gandhi put the name of Jayaprakash Narayan, 72, at the head of her list of political opponents to be arrested two weeks ago, she must have been struck by the irony of the situation. "J.P.," as he is known to almost everyone in India, was the grand old man of Indian politics, a confidant of Nehru and Mahatma Gandhi, and someone she had known since she was a child. In 1942, when she was imprisoned without trial for her efforts in the "Quit India" campaign to drive out the British, Narayan became a national hero—and one of the British Raj's most wanted criminals—for his sabotage work in the independence movement. Now Narayan was leading a grass-roots movement against corruption, a movement that seriously threatened Mrs. Gandhi's hold on her office and perhaps the stability of Indian society.

Critics see him as an irresponsible rabble-rouser out to destroy democratic government. To his admirers, he is the champion of the downtrodden, a political savior who has emerged from retirement to save them from what they see as despotic rule. The independent-minded son of a minor Bihar state official, Narayan at the age of 19 used a \$600 wedding gift to set off alone to the U.S., where he studied at Berkeley and the University of Wisconsin and became a convert to Communism. Returning to

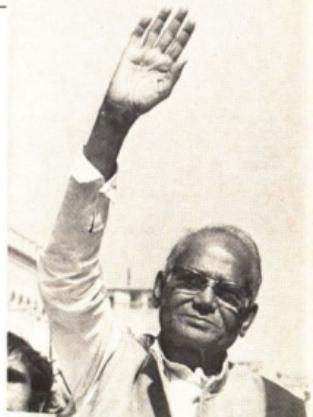
India, he became deeply involved with Gandhi and Nehru in the independence movement. Still, he was not an advocate of Gandhi's principles of non-violence and organized a guerrilla force to disrupt rails and communications and foment strikes and riots.

Following independence in 1947, he grew increasingly disenchanted with party politics and even spurned offers by Nehru to join his Cabinet. Explained Narayan: "The party system, so it appeared to me, was seeking to reduce the people to the position of sheep whose only function was to choose periodically the shepherds who would look after their welfare."

Despite Narayan's criticism of government corruption, his movement offers no clear-cut program for social or economic reform. J.P. talks vaguely of "partyless democracy" and returning power to the villages. He urges his followers to engage in such tactics as *gherao* (laying siege) and *dharma* (sit-ins). But almost invariably his civil-disobedience campaigns have turned violent.

When rampaging students in Gujarat managed to bring down the state government, J.P. was impressed and decided to try to do the same thing in Bihar, his home state. The demonstrations led to riots, and Mrs. Gandhi appealed to J.P. to call them off. He refused. When Railways Minister Lalit Mishra was assassinated on a visit to Bihar last January, the Congress Party accused Narayan of unleashing a "cult of violence, intimidation and coercion."

What bothers many observers is



NARAYAN AT RECENT NEW DELHI RALLY

J.P.'s concept of "defensible violence"—that violence is permissible to prevent a greater violence or injustice from occurring. This evoked old memories of his World War II sabotage work. In addition to many sincere followers, J.P.'s movement has attracted a wide spectrum of militant rightist and leftist opposition parties that have little in common but their dislike of Mrs. Gandhi. Yet despite the support of these dubious elements, Narayan's is essentially a one-man revolution held together by his remarkable personality. "The day J.P. dies, and he is a sick man," said a member of Parliament recently, "his total revolution will collapse totally."

MIDDLE EAST

The Battle Over the Passes

Israeli Ambassador to Washington Simcha Dinitz flew down to the Virgin Islands last week, but not for the sunshine and sea breezes of Caneel Bay. Dinitz instead spent two days conferring secretly with vacationing Secretary of State Henry Kissinger about the status of Israeli-Egyptian negotiations over further disengagement in the Sinai. Dinitz capped those talks with follow-up meetings at the State Department, then flew home to Israel to attend a crucial weekend meeting of Premier Yitzhak Rabin's Cabinet. As if to underscore the urgency of his mission, shortly after his return a terrorist bomb went off in Jerusalem's main square, killing 13 persons and injuring 72. It was the bloodiest incident in the city since the fighting that preceded Israel's founding in 1948.

Dinitz carried with him the details of what Washington believes are the final Egyptian proposals for a second-stage Sinai deal. He also brought a special hint from Washington: if Israel agrees to U.S.-backed Egyptian demands that it withdraw its forces completely from the strategic Mitla and Giddi passes and the Abu Rudeis oil-fields, then Israel may be able to count on continued American military, economic and political support.

These latest developments in the Sinai talks, which have swayed from the verge of success to the edge of collapse since Kissinger's shuttle talks deadlocked last March, elicited both optimism and pessimism. The optimists for the most part were American. One U.S. policy expert rated the odds at "better than ever" that the Israeli Cabinet could come up with suitable concessions for Egyptian President Anwar Sadat that would be palatable at home as well as abroad. If it did, said the expert, the second-stage disengagement could be wrapped up easily.

Invitation to War. Washington's hopeful mood was not shared by Jerusalem. The Israelis are unhappy about their growing conflict with Washington. Kissinger and President Ford have privately blamed Israel for the collapse of the shuttle talks. As part of its reassessment of Middle East policy, the Administration has so far refused to discuss \$2.5 billion worth of new aid and arms requests from the Rabin government—a not so subtle pressure on Jerusalem to yield. Ford called Dinitz to the White House to discuss the Egyptian proposals on the Sinai. In Israel, there were exaggerated stories that the President had given the ambassador a "brutal" ultimatum to make concessions or risk losing U.S. support. Ford denied that he had given Dinitz any ultimatum but insisted that a Sinai deadlock was "an open invitation to war." Unless the deadlock ends, Ford indicated, the U.S.

may be forced to agree to a Geneva conference, which it does not really want under such conditions, and might make its own suggestions there for a solution. Complained *Ma'ariv*, Israel's largest newspaper: "The Americans are pressing Israel against the wall."

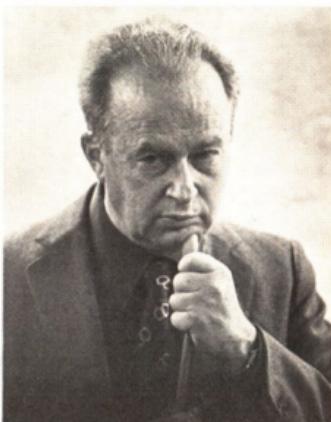
The chief obstacle to solving the deadlock remained the status of the Mitla and Giddi passes in the Sinai. The passes are the only viable routes through the Sinai mountains for armies moving either toward the Suez Canal or away from it toward the Israeli border. Israel, which controls the passes, has offered to pull back to their eastern end, where it maintains electronic listening equipment to monitor Egyptian troop movements. Egypt's Sadat, on the other hand, demands that Israel pull out of both passes completely. He has threatened not to renew the mandate of the United Nations peace-keeping forces, presently wedged between the two opposing armies in the Sinai. The latest mandate is due to expire in two weeks.

Resisting Pressure. Among Israelis there is a difference of opinion about the value of the passes and the electronic monitors there. Some experts believe that other mountain peaks in the Sinai would serve just as well as monitoring stations, and Israel could successfully halt an Egyptian attack even if it had to give up the passes. But the Israeli General Staff wants to keep the passes. Guiding newsmen on a tour of Giddi and Mitla last week, Colonel Simcha Maoz of the General Staff pointed out that any Egyptian armor allowed

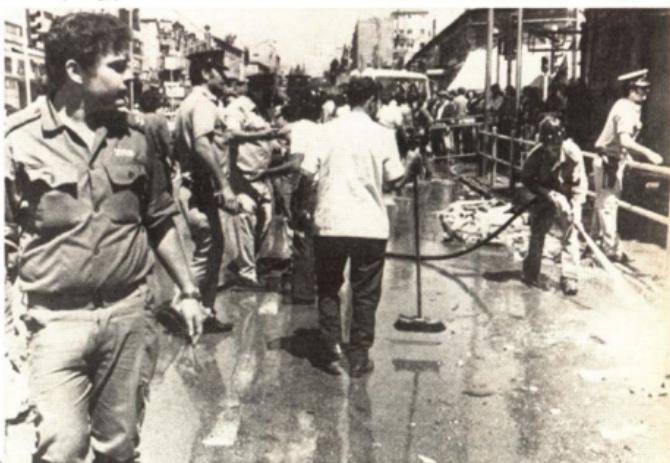
through the passes could outflank the mammoth Israeli base at Bir Gasgafa, 15 miles to the north.

One factor that has so far inspired Rabin to resist Washington's pressure is his knowledge that although Sadat wants the passes, he is not anxious to fight for them at this point, particularly since the Egyptian economy is in serious disarray. Until now, Sadat's offers—a three-year truce agreement and demilitarization of the passes with some sort of third-party supervision, perhaps by U.S. electronic warfare—have not been enough. Jerusalem wants other concessions, such as a relaxation on Egypt's part of the Arab trade boycott against Is-

ISRAELI PREMIER YITZHAK RABIN



DAVID TURNER



ISRAELIS CLEAR AWAY DEBRIS AT SITE OF BOMB EXPLOSION IN JERUSALEM

THE WORLD

rael or an end to anti-Israel propaganda. As a result, Israeli diplomats awaited Washington's reading of Sadat's latest offers with skeptical interest, since Rabin is scheduled to visit West Germany this week and Kissinger will be in Geneva to confer with Soviet Foreign Minister Andrei Gromyko. Israel's Premier might ask Washington for even more "clarification" than he gets from Dintz. Translation: Rabin was desperately trying to find a way out of having to accept the U.S.-Egyptian terms. Under one proposal, which neither Jerusalem nor Cairo has explicitly rejected, the two passes could be demilitarized and put under control of United Nations forces. But U.S. technicians would man the monitors, much as American satellites on orbits over the Sinai now take troop-disposition pictures that are provided to both Egypt and Israel.

Shards of Metal. Rabin has urgent domestic reasons for making an airtight agreement before ceding back any more captured territory. The Premier is being pressured by Israeli hawks. Rabin declared last February that he would never surrender the passes for anything less than an Egyptian declaration of non-belligerency. To go back now on that highly popular promise might topple his government. The principal threat to Rabin comes from Defense Minister Shimon Peres, who was Rabin's principal rival for the Premier's post last year and still has an eye on the job. Peres' hawkish stand on the passes is strongly backed by public opinion; more than 60% of Israelis, according to recent polls, agree that the country should hold on to the Mitla and Giddi.

Public feeling about making concessions to the Arabs undoubtedly stiffened after the Jerusalem explosion. In Beirut a Palestine Liberation Organization umbrella group attributed the attack to an Israeli-based terrorist unit called the Martyr Farid al-Boubaly Brigade. The purpose apparently was to slow the pace of peace negotiations.

The bomb was hidden in an old refrigerator that was deposited in an area of shops and restaurants. "I saw a terrific ball of flame and black smoke," said Ephraim Warshavsky, manager of a nearby tool shop. Warshavsky had inspected the refrigerator after he saw some men in a truck put it on the sidewalk, but found nothing inside. (The explosives were apparently strapped underneath.) He called police, however, who were only 40 yds. away when the bomb exploded. The bomb itself was not particularly powerful, but the square was packed with shoppers preparing for the Jewish Sabbath. They were cut down by shards of metal and pieces of flying glass. An angry mob of several hundred stone-throwing Jews set upon innocent Arabs who happened to be caught in the area. A group of Arabs in the open-air market on Jaffa Road was attacked, and four Arabs near the Old City were beaten and stoned.

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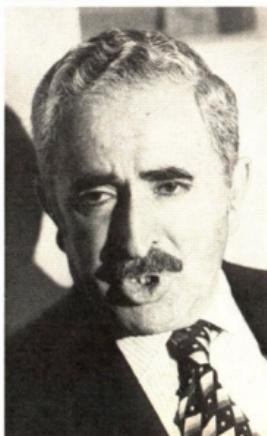
LEBANON

First Aid from a 'Rescue' Team

Lebanon, the financial center of the Arab world, is sometimes called the Switzerland of the Middle East. By now, some sectors of its capital city look more like a World War II battlefield. For the third time in scarcely three months, Beirut has been rocked by fighting between members of the right-wing nationalistic Phalange Party, most of them Maronite Christians, and bands of predominantly Moslem leftists backed by Palestinian extremists (TIME, July 7). By the time the third round ended last week, after eight days of violence, some 300 people had been killed and 700 wounded. That brought the year's death toll to about 900—the highest casualties in Lebanon since the civil unrest of 1958 that led to the landing of U.S. Marines. Losses to the nation's economy from the troubles this year are estimated at \$500 million.

Gargantuan Crises. The fighting eased at midweek soon after Premier-designate Rashid Karami finally managed to form what he called a "rescue government." Karami, 53, a Moslem who has served as Premier eight times before, spent seven months in 1969 trying to put together a Cabinet. This time, after the traditional quadrille of maneuvering with many of the country's 21 parties and nine parliamentary blocs, he managed the job in only five weeks. The country might be falling apart around them, but Lebanon's aging political leaders—including President Suleiman Franjeh, 65—painstakingly haggled and bargained their way through scores of meetings. In the end, they accepted a compromise formula that had been proposed at least three weeks earlier: an interim six-member Cabinet that excludes both the extreme right and the extreme left, but includes representatives of the country's major religious groups.

PREMIER RASHID KARAMI



Lebanon's gargantuan governmental crises, as well as the bloodshed that accompanied the latest one, are symptomatic of the country's central problem: the Middle East conflict is bringing terrible pressure on the political compromise that Lebanon's Christian and Moslem communities have lived by for more than 30 years. Until recently the Lebanese have prided themselves perhaps complacently, on their ability to remain somewhat aloof from the Arab-Israeli struggle. Frightened and disillusioned by this year's internal fighting, many Lebanese are now wondering how much longer the situation can

Larger Hand. As hammered out the National Covenant of 1943, Christian and Moslem communists reached an unwritten understanding that the President of the republic would be a Maronite Christian, the Premier a Sunni Moslem and the speaker of unicameral Parliament a Shi'a Moslem. In addition, they agreed that Christians would prevail over Moslems in the legislative and executive branches by a ratio of 6 to 5. That seemed reasonable in 1943, when Christians formed a majority of the population. Although there has been no census in Lebanon since 1932, the Moslems are almost certainly in the majority now (because of a higher birthrate)—and they want a larger hand in the running of the country. T

MASKED PHALANGIST GUARD IN BEIRUT



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THE WORLD

also want a larger share of the nation's wealth; thousands of Moslem peasants, driven from southern Lebanon by Israeli border raids, have flocked to the cities, where they have become a receptive audience for leftist political appeals.

The immediate cause of Lebanon's convulsions this year, however, is the continued presence of some 320,000 Palestinian refugees. As a group, the Palestinians have their own armed force and a sort of sovereignty over their 16 camps in Lebanon—indeed, they form a "state within a state," as right-wing Lebanese critics describe the Palestinians' status. Previous governments—always dominated by Christians—have reluctantly tolerated the Palestinians' use of Lebanese territory as a base for raids against Israel, but they have resisted any pressure to link the country more closely with the Arab "confrontation states." Many Moslems, on the other hand, favor greater support for the Palestinian cause.

Leftist Extremists. In the recent fighting, as in the previous rounds, the principal forces involved were the Phalangists and the mostly Moslem leftist extremists. But the battle was soon joined by some hard-line fedayeen (though not by the P.L.O.'s Yasser Arafat, who attempted to serve as mediator) as well as by bands of privateers who turned it into a sort of free-for-all. "Beirut has gone through another difficult night," the national radio mournfully announced each morning, before warning citizens to stay off the streets and appealing to the warring parties not to fire at ambulances or fire trucks.

Complicating matters still further, there was also the presence of Israeli agents, who apparently seized the opportunity to sneak in and deal with a few of their known enemies (*see following story*). In the midst of the confusion, a U.S. Army colonel, Ernest R. Morgan, disappeared and was presumed kidnapped by one group or another.

In other countries, a government would automatically have called out its army to put down the kind of civil unrest that beset Lebanon in the past fortnight. But Lebanon's 16,000-man armed forces, like the nation itself, are a special case. Since the high command is predominantly Christian, much of the Moslem population would have resented the army's presence—and the soldiers might have split along religious lines. So the government prudently allowed its troops to remain in barracks.

At midweek, however, as life in the capital began to return to normal, convoys of armored personnel carriers, trucks and Jeeps cruised through the streets of Beirut to demonstrate that the new government was determined to restore order. The irony of having an army that nobody dared use was not lost on the Lebanese. "Now that it's all over," mused one spectator, "they figure that it's safe to come out in force."

TERRORISM

The 'Institute' Strikes Again

One of the least known but most feared intelligence operations in the Middle East is a special branch of Mossad—the Israeli version of the U.S. Central Intelligence Agency, known familiarly as the "Institute"—which was organized in 1972 to conduct anti-terrorist campaigns against the Palestinian guerrillas. Last week there were indications that Mossad was on the offensive again. In Paris, possibly as a result of a Mossad tip, French counterespionage agents moved in on a sleepy-eyed, Spanish-speaking foreign visitor known only as "Carlos," who had in his possession forged Peruvian, Venezuelan and U.S. passports. He also had an arsenal of explosives and weapons similar to those used in a series of terrorist attacks by Palestinian, Japanese, Turkish and German groups in Europe. As he was being questioned, Carlos shot to death two French agents, as well as a Lebanese informer accompanying them, and disappeared.

TIME has been told that agents of Mossad also took advantage of the recent fighting in Lebanon to assassinate some of Israel's most implacable foes within the Palestinian movement. The Israelis claim to have killed eight and wounded 15 others in and around Beirut. Here is how the campaign of revenge was carried out:

The objective of the latest mission, like that of a similar Mossad raid in Beirut two years ago, was to seek out and destroy Palestinians known to be connected with recurring fedayeen attacks on Israelis. Two teams of six people each were chosen for the mission: a killer team and a spotter team to pick out their targets. The killers went first, leaving Israel around 8:30 on the night of June 11. It was an ideal time: the moon had set early and the sky was black. The six—five men and a young woman—assembled at an airfield in northern Israel and stowed their guns and gear aboard a Bell 205 helicopter belonging to the Israeli air force. They kept their faces covered so that even members of the helicopter crew were not able to get a good look at them.

Accompanied by a second helicopter flying as gunship, the chopper lifted off its pad and headed for Beirut. The chosen route was along the border between Lebanon and Syria, so that radar scanners in either country might assume

that the two helicopters came from the other side and were flying a routine mission. Meanwhile, other choppers with a back-up team aboard flew over the Mediterranean toward Lebanon; they would land near Beirut if the first team was discovered and shot down. It was not.

An hour after departure, the first helicopter set down gently in an area not far from Beirut while its gunship hovered overhead protectively. The killers were met by waiting Israeli agents, who drove them to a safe house in the Beirut suburbs. From there, a one-word

ILLUSTRATION FOR TIME BY BARRON STOREY



ARTIST'S CONCEPT OF ISRAELI ASSASSINATION TEAM IN ACTION

code message was flashed to an Israeli monitoring station, informing Mossad that the team was in place and Operation Caesarea was go.

Meanwhile, three Israeli navy missile boats slipped out of their Haifa base carrying a spotter team up the coast to Lebanon. Accompanied by frogmen who secured the beach, the Mossad agents went ashore with their equipment in Zodiac rubber dinghies. They too were met by waiting colleagues as they landed and were driven away unseen in two automobiles. Next morning the six spotters, working independently, set out on their mission; all spoke fluent Arabic and they passed themselves off as visiting businessmen or tourists.

A week passed before the spotters

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found their first targets: three members of the Popular Democratic Front for the Liberation of Palestine, a radical fedayeen group. The spotters trailed the Palestinians for another week, learning the pattern of their movements. Finally on June 25, the killers were summoned. Four of them took up positions outside an apartment house in which the Palestinians lived; the other two assassins—one of them the woman—waited inside the building on a staircase. About 6 o'clock that evening, four men approached the building. Three were identified as Popular Democratic Front members. The other was not known to the Israeli agents, but the mission commander did not wait. As soon as the quartet entered the apartment house, the two Israelis waiting inside opened fire with 22-cal. Beretta pistols favored in such work for their compactness and accuracy. One of the four died instantly, two more were wounded and the fourth escaped. The killers drove off in cars that had been waiting near by.

In the Dark. Next day the spotters identified another target for their hit men: an important member of George Habash's Popular Front for the Liberation of Palestine, a larger but equally radical guerrilla group. The victim, who Mossad believed was responsible for many terrorist activities, was trailed to his apartment. This time the two killers used rifles with "starlight" telescopic sights that enabled them to pick out targets in the dark. From a nearby roof they sighted on the Palestinian's apartment. When he appeared in the window, they shot him dead. The Mossad team was not detected. So many men with rifles were crouched on Beirut rooftops at the time, it seemed, that two more were scarcely noteworthy.

The Mossad team also repeated an attack that they had carried out in Beirut two years earlier. They planted an explosive charge in the basement of a building used by the Popular Democratic Front. The charge exploded on June 29th, killing six and wounding 13 others. Palestinian leaders insisted that the blast occurred after a careless guerrilla had dropped a hand grenade in an area where other explosives were stored.

The raiding parties were extracted after that, some by helicopter, others by commercial flights from Beirut. By then, the Palestinians had probably suspected that the deaths were not the result of random shooting. Near Tyre, Palestinian leaders discovered with much fanfare weapons with Israeli markings on them and charged that Israel was interfering in Lebanon's domestic crisis. The Mossad agents involved in Operation Caesarea were incensed by the Tyre "discovery." They had indeed supplied guns and ammunition to Lebanese Christians—through third parties, to be sure. But beforehand, all numbers and identification on the weapons had been meticulously eradicated.

BRITAIN

No More the Social Contract

For 16 months Prime Minister Harold Wilson has cajoled, wheedled and haggled with Britain's powerful labor unions in a vain effort to stop their rampaging wage demands. The basis of his policy was the "social contract," a formal deal (although never written into law) between the government and the labor unions. The government would deliver social welfare benefits in exchange for voluntary restraints in pay settlements. Purpose: to keep workers abreast of—but not ahead of—inflation.

But the unions have welshed on the deal. One major union after another won pay raises of 30% and more; during the past twelve months, average weekly

Show in placid Warwickshire early last week, Wilson confidently declared: "We reject panic solutions."

Back in London next day, the Prime Minister had to eat more than strawberries. On the foreign exchange, the pound opened at an alltime low of 29.2% below the value fixed by agreement with Britain's main trading partners at the end of 1971. One reason for the drop-nervous Arab depositors began withdrawing funds from London banks. Kuwait alone converted £50 million into dollars in one day. A gentle slide of the pound had been viewed by many economists as a healthy means of erasing some of the trading disadvantages created by the differing rates of inflation between Britain and its competitors. But now the slide was clearly threatening to become a financial *Götterdämmerung*. Said one Cabinet minister: "Nothing can concentrate Harold's mind more quickly than a fall in the pound."

In an emergency Cabinet meeting, Healey presented a proposal for a wage-restraint policy backed by legal sanctions. Instead of waiting to hear the consensus of his Cabinet as he usually does, Wilson promptly backed Healey. He won the decisive approval of the Cabinet. The only holdout was Employment Minister Michael Foot, the silver-tongued tribune of the unions. Foot was given a face-saving week to try to obtain union agreement. But the Cabinet made it clear that the proposal would be introduced in Parliament whether or not the union leaders accepted it.

One leading firm of London stockbrokers calculated last week that Healey's plan will involve a record reduction in real wages of 4% or 5% over the year for British workers. The government is not committing the mistake of its predecessors in making the guidelines enforceable against individual workers or union leaders. Instead, the government will forbid private firms to pass on higher prices any wage settlement costs above 10%—in effect, they will have to go along or face bankruptcy. Nationalized firms will be allowed to increase their total wage bill 10%.

"We have got a pistol at our heads," said Alan Fisher, head of the Public Employees Union. "I think we shall see a lot of difficulties in the next few months." The first signs of revolt came from Members of Parliament, who have forgone a pay raise since 1971 to set an example for the rest of the country.



WILSON MUNCHING STRAWBERRIES IN WARWICKSHIRE
A fall in the pound concentrates the mind.

wage rates for manual workers rose 32.6%, leapfrogging ahead of the 25% inflation rate for the same period. Last week, after inflation had worsened and the pound sterling had hit a new low, Wilson and his Cabinet took a deep breath and finally scrapped the tattered social contract. Chancellor of the Exchequer Denis Healey announced that beginning with the September round of pay negotiations no wage increases above 10% will be allowed.

Fresh from his victory over the union bosses and the left wing of his own party in the referendum on staying in the European Common Market, Wilson had just set out to establish a new voluntary agreement on national pay and price guidelines between the unions and the government. Munching fresh strawberries at the Royal Agricultural

The M.P.s get about £5,000 (\$11,000) in pay and allowances. Some are so hard-pressed that important votes must be scheduled in midweek because Members cannot afford to stay even in cheap London lodgings for more than three nights a week. A widely leaked government report recently recommended that M.P.s receive a 40% raise of £2,000 (\$4,400) and possibly more. After Healey's announcement, 70 Labor backbenchers, fearful that they would be the first ones caught in the 10% net,

threatened a boycott of committee meetings if they did not get the raise. Late last week a delegation took the matter to Wilson, pleading that they were a "special case." Wilson, in effect, promised them their money to help clear up "hangovers from the old pay round." Worse hangovers for the nation may be in store if Wilson cannot make the new guidelines stick when the big unions mount challenges to the government's authority in the new bargaining round this fall.

ASIA

Balancing the Tiger with the Wolf

Slowly but unmistakably, the nations of Asia are adjusting to the Communist conquest of Indochina. That event has forced all nations of the region, including China and the countries on its vast periphery, to re-examine their relations with one another and with Washington. Last week Thailand—a member of the Association of South East Asian Nations, once regarded as a barrier to Chinese Communist expansion—followed the Philippines and Malaysia in establishing formal diplomatic relations with Peking. TIME's diplomatic editor Jerrold L. Schecter completed a tour of Asia that included many of the affected capitals. His report:

Despite the rash of Asian leaders forming links with Peking, a strong case can be made that the biggest loser of the Viet Nam War was Communist China and not, as it may at first have appeared, the U.S. One admittedly prejudiced senior China watcher in Washington puts it thus: "The removal of the relatively benign American presence from the southern flank of China has caused Peking a lot of worry. Ha-

ni's relations with China are uneasy. Soviet access to Southeast Asia—possibly a naval base at Cam Ranh Bay [site of the largest U.S. military installation during the Viet Nam War]—would change the whole strategic balance of power in Asia."

The Chinese have signaled their concerns to Washington in a variety of ways. Early in June, Vice Premier Teng Hsiao-ping told a group of visiting American editors that President Gerald Ford would be welcome in China whether or not he had anything substantial to discuss. Chinese officials in Hong Kong suggest that the maximum goal for the Ford visit would be "normalization" of relations and resolution of the Taiwan issue. The minimum goal, they graciously add, "is for your President to come to China and have some good meals." Evidently, the Chinese policy will be one of moderation: urging the U.S. and Japan to blunt the increasing danger of Soviet penetration into Southeast Asia.

Through Japanese socialist leaders, the Chinese have urged Japan to maintain security treaties with the U.S. Teng recently warned visiting President Fer-

dinand Marcos of the Philippines against Soviet expansion in Asia. The Vice Premier referred to the old Chinese proverb: "Guard against letting the tiger in through the back door while repelling the wolf through the front gate." Despite past Chinese propaganda denouncing the U.S. as a paper tiger, the reference in this case was clearly to a Russian tiger and an American wolf.

The end of the Viet Nam War has forced on Japan a new awareness of its vulnerability. For the first time since the start of the Korean War 25 years ago, Japanese business executives and politicians are discussing privately how they might join with the U.S. in case of a North Korean attack on the South. The Japanese do not believe that a peaceful unification of Korea is possible. Forceful unification—meaning conquest by the North—would involve the loss of \$1.5 billion in Japanese investments and loans to Seoul, and far more seriously, would be a direct threat to Japanese security.

New Mood. Japan spends less than 1% of its G.N.P. on defense for its 261,400-man self-defense force, relying on the American nuclear umbrella and bases in the Pacific. "Security for Japan up to now has been like sunshine and water. When there is plenty, people take it for granted," said Michita Sakata, Director-General of the Japanese Defense Agency. "We want to enhance the credibility of our existing security arrangements, but Japan must be defended by the Japanese themselves."

Sakata is trying to build a new Japanese consensus on defense. He hopes to meet with U.S. Secretary of Defense James Schlesinger in August to discuss realistic options for Japan's military future in case of a war in Korea.

One difficult question facing the Japanese is their strict three-part ban on

OKINAWA-BASED U.S. SPECIAL FORCES ON EXERCISES IN TAIWAN



JAPANESE PARACHUTE BRIGADE ON TRAINING MANEUVERS



THE WORLD

the manufacture, possession and introduction of nuclear weapons into the Japanese islands. But if South Korea or Taiwan, feeling that its own security has been weakened by the U.S. withdrawal from Indochina, develops its own nuclear weapons, sentiment could rapidly change in Japan. Thus the U.S. nuclear umbrella over South Korea assumes new importance.

The U.S. defense commitment to Taiwan, formalized by the Mutual Defense Treaty of 1954, is another major element in the balance of forces in Asia. The fall of Viet Nam has, at least for the moment, strengthened Taiwan's position with the U.S. "There is less likelihood than a year ago that the U.S. will move rapidly to establish full diplomatic relations with Peking," said a senior U.S. official in Taipei.

Yet even the Taipei government is contemplating alternatives to a U.S.-guaranteed defense. Taiwan, which has diplomatic relations with only 29 countries, will clearly try to emphasize its economic strength—foreign trade increased from \$4.1 billion in 1971 to \$12.6 billion last year—to counter growing diplomatic isolation. And it will undoubtedly try to maintain enough military strength to deter an all-out invasion of the island by Peking.

U.S. intelligence experts believe that Taiwan's self-reliance will eventually include nuclear weapons, produced with enriched uranium from existing reactors on the island. The probable target date for a nuclear weapon is 1980. An American expert who has been studying nuclear developments on Taiwan explains that "they are making the tests by programming experiments on computers, the way the Israelis did," rather than openly exploding their weapons.

Mending Fences. All U.S. combat aircraft have been removed from the island, and American troops will be reduced from 4,400 to 2,800 by early fall, but the U.S. continues to conduct joint contingency-planning exercises with Taiwan's Ministry of National Defense. Such exercises indicate that any U.S. move to establish formal relations with China this year will be made only if Washington can retain its ties with Taiwan. Peking will have to agree that "normalization and the solution of the Taiwan problem are not simultaneous," say U.S. officials.

As Chairman Mao Tse-tung's mental and physical powers weaken, the Chinese Communists will be concentrating on the internal problems of political succession. The Taiwanese, for their part, are realistic about their future prospects. "Northeast Asia is now the front line," explains a senior government official. "We must strengthen our existing relations with Korea and mend fences with Japan." In the new power balancing, that may be acceptable to China—as long as the U.S. continues to have an active, constraining influence on the Soviet Union.



DUSTED DEPUTY PRIME MINISTER CAIRNS WITH SECRETARY JUNIE MOROSI

AUSTRALIA

The Rise and Fall of Jim Cairns

Only a few short months ago, Deputy Prime Minister Jim Cairns, 60, was a man to watch in Australian politics. A sometime detective and university lecturer, he was running the government in the absence overseas of Prime Minister Gough Whitlam when a cyclone devastated the city of Darwin last December (TIME, Jan. 6). Cairns supervised the massive relief effort for the stricken areas so well that he was talked about as a possible replacement for Whitlam, who at the time was experiencing one of the popularity lows that have periodically marked his career.

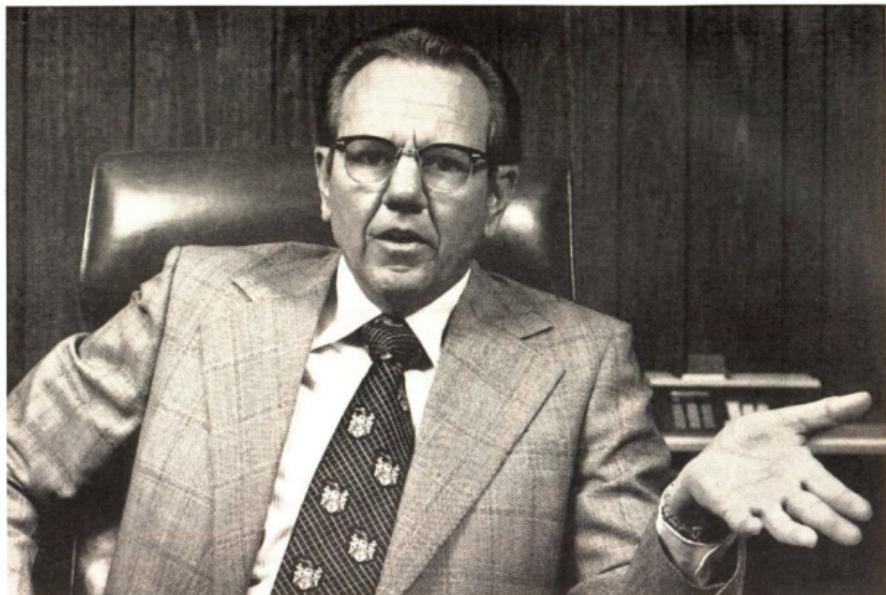
But no sooner had Cairns come within reach of the top than his decline began. Last week Whitlam sacked his second in command in the midst of the worst political scandal in Australia's history. At issue were charges that associates of Cairns had used their influence to seek foreign loans for the government that would have brought them millions of dollars in commissions.

Actually, Cairns has been riding for a fall for some time. Eyebrows were raised last December when the Deputy Prime Minister hired attractive Shanghai-born Junie Morosi, 41, as his personal secretary. Inside and outside the government, many people considered her unsuited to the sensitive post partly because she had been associated with some companies which had been under investigation. Since November, Cairns had served in the cabinet as Treasurer as well as Deputy Prime Minister. He had been strongly criticized by opposition parties for his handling of Australia's economic

policy. Last month, Whitlam transferred Cairns to the less sensitive Ministry of Environment.

Cairns' performance as Treasurer was questioned again last week when the *Melbourne Age* published documents indicating that his stepson Phillip and associates stood to gain more than \$1.4 million in commissions if the government had managed to secure a \$2 billion loan from Saudi Arabia. Phillip denied the allegations and there was no suggestion that Cairns himself would have profited in any way. Nonetheless, an angry Whitlam released a letter from Cairns to a friend of his named George Harris, in which the Deputy Prime Minister offered Harris' firm a 2.5% brokerage fee on any overseas loan it could arrange for the government. Cairns, who had earlier denied in the House of Representatives that he had ever made such an offer, claimed that he had no recollection of signing the letter. When he refused to resign, Whitlam fired him.

Slender Majority. Whitlam's firing of Cairns compounds the difficulties of the Labor Party, beset by economic problems and falling popularity. Only two weeks ago, it lost a by-election for a seat in Tasmania that it had held for 21 years. As a result, Whitlam's slender majority in the lower house has been reduced to three. Many political observers are predicting the financial scandal may well be the "extraordinary circumstances" that opposition Liberal and Country parties Leader Malcolm Fraser said he would need to take the country to the polls later this year.



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PEOPLE



FORD & JAGGER ON WHITE HOUSE BALCONY

They met several weeks back, danced at a Manhattan discothèque, and he invited her to his home for a drink. With Husband **Mick Jagger** on the road with his Rolling Stones tour, **Bianca Jagger**, 30, last week took **Jack Ford**, 23, up on his invitation. Jack's home, of course, is the White House, and Bianca arrived with Artist **Andy Warhol** and plans for a Jack Ford story in Warhol's *Interview* magazine. "This must be the meeting of the Weird Washington Photo Club," joked the President's son nervously as Andy, Bianca and White House Photographer **David Kennerly** clicked away with their cameras. After cocktails on the South Balcony, Nicaraguan-born Bianca then accompanied Jack on a tour of the homestead. Though she dubbed her host "a super fellow," she was obviously just as impressed by the First Family's life-style. Said Bianca: "I want to be President."

Newspapers rejected their advertising, the Chicago Transit Authority refused to display their posters, and a clutch of American Nazi Party members showed up to picket. Nonetheless, some 750 delegates of the American Communist Party managed to get together at Chicago's swank Ambassador Hotel for their first convention in three years. "Some people have said that we should love this country or leave it," intoned California Delegate **Angela Davis**, "(but) we are going to fight like hell to get this country back." Fighter Davis was bothered, though, by the fact that the party had chosen such an unproletarian meeting place. "I don't like being here," she

said as she sat eating a cantaloupe in the lobby. "We got this fruit at a grocery down the street. That will do me."

For **Chris Evert**, Wimbledon was more like Waterloo. First she was upset in the semifinals by **Billie Jean King**. Then ex-Boy Friend **Jimmy Connors** brought Actress **Susan George** on his arm to watch his own upset in the men's singles (see SPORT). Said Chris: "He is no longer my fiancé, and all thoughts about marriage have been shelved." All of which helped Billie Jean look like the coolest competitor around. She acquired a striking outfit that she threatened to wear (but did not) to the Wimbledon ball: Charlie Chaplin's Little Tramp costume. Then, having proclaimed this her final major tournament, she defeated **Evrone Goolagong Cawley** to win her sixth Wimbledon singles crown.

"A simple fracture of the tibia," announced Dr. Hamilton Hutchinson after examining the left leg of Alabama Governor **George Wallace**. Less simple, apparently, was the question of just how the presidential aspirant managed to injure himself. Shot and partially paralyzed three years ago, Wallace now has no feeling in his legs, but he noticed a swelling and felt a slight rise in temperature. After taking X rays, Hutchinson theorized that his patient broke the shinbone while riding his electric exercise bicycle or during one of his therapy sessions on the parallel bars. At any rate, Wallace now faces not only his normal wheelchair confinement, but also six weeks in a cast. No one, presumably, will be allowed to autograph it.

"Each year has been better than the last because we have grown together," So said Lovelorn Columnist **Ann Landers** in a 1969 paean celebrating her 30th anniversary of marriage to Businessman Jules Lederer. Last week she wrote another open letter to her 54 million readers and announced that her marriage was coming to an end. Friends of the couple, who are both 57, suggest that the breakup may be due to the strains of maintaining separate careers. Lederer, former president of the Budget Rent-A-Car Corp., has spent much of his time in London in recent years, tending to a troubled restaurant business. Columnist Landers, however, refused to disclose any specifics of the separation: "Please don't write or call and ask for details. The response would be: 'Sorry, this is a personal matter.'"



BILLIE JEAN IN HER CHAPLIN SUIT



ANN LANDERS AT WORK IN HER TUB & BUSSING JULES IN HAPPIER TIMES

Liquor and Babies

Aristotle observed that "drunken and harebrained" women most often had children like themselves, "miserable and languid." Eighteenth-century British physicians reported that drinking gin led not only to the widespread debauchery of the time—which was vividly depicted in Hogarth's etchings—but also to a spate of "weak, feeble and distempered children." Modern medicine has only recently confirmed the ancient folklore. Alcoholic mothers often do bear children with a host of birth defects: skull and facial deformations, defects in the cardiovascular system and mental and physical retardation.

A revival of interest in the existence of what doctors call fetal alcohol syndrome was spurred in 1973, when Drs. Kenneth Jones and David Smith at the University of Washington School of Medicine reported in the *Lancet* on eight children with similar birth and growth defects. Their investigation revealed that all were born to mothers who were chronic alcoholics.

Since then, other studies have underlined Jones' warning that drink is dangerous to the unborn. At a recent session on fetal alcoholism sponsored by the National Council on Alcoholism, Smith reported that he and his colleagues had personally evaluated 41—and were aware of 37 other—cases of the fetal syndrome. A physician in Nantes, France, where alcoholism is endemic, has detailed 125 cases. In a study of 82 births at Boston City Hospital, researchers discovered that of nine babies born to mothers found to be heavy drinkers, only one was normal.

Bad Breath. These studies are backed up by animal research, which shows that ethanol, the intoxicating ingredient in liquor, is capable of causing birth defects in chicks and rats. Studies of the fetuses of alcoholic mothers also reveal that ethanol easily crosses the placenta from mother to child. Smith reports that the amniotic fluid that had surrounded one of the babies he examined had a definite odor of ethanol. A second baby born to an alcoholic mother emerged from the womb with the smell of ethanol on his breath. A third was in even worse shape. At birth, his blood contained an ethanol level of 150 milligrams per 100 milliliters. An adult with the same alcohol level in his blood would be considered grossly intoxicated.

Doctors still have not found out how alcohol leads to the defects, which in extreme cases can be fatal. But they have seen enough victims of the syndrome to justify warning prospective mothers to stop drinking heavily if they plan to become pregnant, and to consider having abortions if they become pregnant while addicted to alcohol.

The Hiker's Hazard

Ignoring her hunger, Joan continued to climb. She was anxious to reach the summit of New Hampshire's 5,363-ft. Mount Madison and unwilling to delay her hiking companions. By midafternoon, she felt tired and dizzy; a few minutes later, after a shower had soaked her and her companions, she sat down, complaining of weakness and nausea. Concerned, some of her fellow hikers wrapped her in a poncho while others went for help. By the time rescuers arrived, Joan was shivering and unable to answer questions, her body temperature down to 95.8° and falling. Rushing her to a shelter near by, the rescuers fed her candy and orange slices for fuel, dried her off and wrapped her in hot blankets; soon her body temperature returned to normal.

Many of the hikers taking to mountain trails throughout the U.S. this summer will not be so fortunate. Hundreds of them will develop hypothermia, a rapid and uncontrolled lowering of the body temperature that some experts consider the greatest hazard facing hikers. In the past century, for example, it has killed several dozen people in New Hampshire's White Mountains alone. During one Memorial Day weekend, when a surprise storm caught five Sierra Club members on the flank of California's 13,165-ft. Mount Ritter, four of them died of hypothermia.

Simple Ailment. Physiologically, hypothermia is a simple ailment. When a hiker becomes chilled, his autonomic nervous system acts to restore heat by tensing the muscles and causing shivering. But if he is also hungry, tired and wet, the reactions become more radical.

slow, and the hiker lapses into unconsciousness. When the body temperature drops to around 78°, death can occur quickly. A hiker who left his hypothermic companion propped against a tree on an Adirondack mountain trail last year found him dead when he returned with help less than an hour later.

Harshest Lesson. To treat hypothermia, doctors and mountain rescue experts counsel common sense. The first step should be to learn hypothermia's symptoms and act as soon as they appear, getting victims out of the wind and their wet clothes and then warming them. Conscious victims of hypothermia can be fed high-energy foods and warm liquids and placed in a sleeping bag (if possible with someone else to share body heat). Unconscious victims can be thawed by placing them in warm—but not hot—baths.

Most cases of hypothermia can be avoided if hikers will remember that even in the summer, storms and winds can come up quickly, and temperatures in the mountains can fall by as much as 30° in a matter of minutes. Thus they must eat well, dress and equip themselves for the worst weather possible. Hikers should also exercise their intelligence as well as their legs and turn back when weather conditions deteriorate. "One of the hardest things to learn," says Joel White of the Appalachian Mountain Club, "is how to turn around and come back." It is also one of the best. Hikers who retreat from bad weather or illness are likely to hike again. Those who push on may not.



WHITE MOUNTAIN NATIONAL FOREST

In an attempt to conserve heat, the blood vessels contract, reducing the flow of blood to the skin and other extremities. If the cold continues, other systems are affected. For reasons not fully understood, the central-nervous-system controls go awry and the body loses even more heat instead of producing or conserving it. Temperature plummets.

As body core temperatures continue to fall below normal, the mind becomes confused, cardiac and respiratory rates



Week's Watch

► Where does Gerald Ford stand on the environment? Last week, at a ceremony opening a \$27 million environmental research center in Cincinnati, he declared that he was for it—with an important qualification. The President called for a "detente with nature" and pledged his commitment to clean air and water: "As long as I have anything to say about it, this country's symbol will never be an empty beer can in a river of garbage." On the other hand, Ford continued, efforts to protect the environment might have to be eased in order to increase the nation's supply of energy and improve the economy—the same philosophy that the President expressed in May when he vetoed a bill to control the ecological damage done by strip mining for coal. The result would be a slowdown, but not a reversal, of the U.S.'s environmental programs. Pointing to progress in cleaning up the Connecticut and Hudson rivers, Ford quipped: "The salmon are back. They cough a lot, but they have reappeared."

► According to a recently completed year-long study commissioned by the California state assembly, an average of 300,000 Californians are injured every year by stepping on broken glass, sharp-edged pull-tabs and other varieties of jettisoned junk. Medical treatment for the injuries costs about \$3 million annually. The next step for the lawmakers is to act on a pending bill to clean up the state—and reduce the risks.

► After years of protest by conservationists around the world, the 15-member International Whaling Commission, an organization that controls whale hunting, has just set drastically reduced quotas for next season's catch. The total number of harvestable whales was cut by 9,000, to 32,500. Most important change was a complete ban on hunting the endangered finback whales except in a small area of the Antarctic. The two biggest whaling nations—Japan and Russia—apparently are going to comply with the new limits. Reason: self-interest. Under new procedures that were designed in response to pressure from the U.S., the commission determines its quotas to ensure the survival of the various species of whales—and thus the jobs of the whale hunters.

Exit the Ekistician

Despite their confident use of statistics, graphs and maps to limn the future, city planners have no claim on pre-science. They depend instead on an all too fallible blend of private intuition and public persuasion; theirs is not a profession for the timid. Most persuasive

of them all, at least through the 1960s, was Greece's Constantinos Apostolos Doxiadis, who was buried last week after dying at the age of 62 of multiple sclerosis. Based in Athens, he specialized in drawing up practical housing programs for developing countries and thus directly influenced the lives of tens of millions of poor people. Beyond that, Doxiadis was something of an oracle, the inventor and tireless promoter of ekistics, which he defined as the science of human settlements. His practice and precepts combined to make him the world's best-known planner.

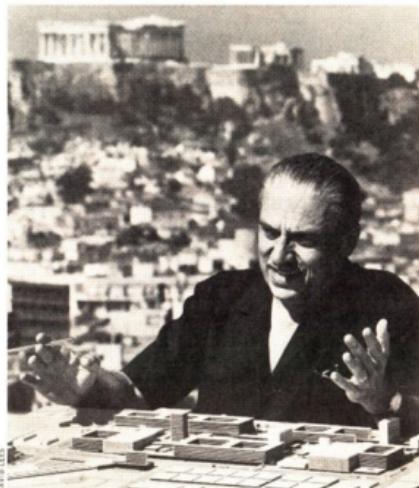
Grayhaired Doxiadis was dapper, shrewd and brisk—a silver fox of a man who was equally at home designing mud-brick houses for Zambian peasants or diagramming his thoughts (with multi-colored felt-tip pens) for Western intellectuals. He was born in 1913 of Greek parents in Bulgaria, was bred and educated in Athens, and earned a graduate degree in Berlin. His talent shone early: at 23 he became Athens' top town planner; at 25 he was chief of regional planning for all Greece. Then came World War II (Doxiadis was a Resistance hero) and after it the job of supervising the reconstruction of 3,000 ravaged Greek villages.

In 1953 he founded his own firm, Doxiadis Associates, which eventually opened branches in eleven countries, including one in Washington, D.C., and employed a huge staff of 700 people. Plans churned out of his drafting tables. Among them: the design of Pakistan's new capital of Islamabad, housing studies for Iraq, Ghana, Brazil and a regional scheme of new towns and transportation corridors in South America's five-nation River Plate Basin. In the U.S., he laid out a 2,500-acre urban-renewal project in Philadelphia. As part of a 1965 projection of greater Detroit's future growth—commissioned by the Detroit Edison Co.—he warned that middle-class families were abandoning the center city "at a rate of two yards a day, including weekends."

As "Dinos" grew more famous in the 1960s, he began holding his annual Delos symposium, a week-long Aegean cruise to which he would invite 30 or so distinguished thinkers. A typical guest list would include the likes of Inventor Buckminster Fuller, Historian Arnold

Toynbee, Industrialist Robert O. Anderson, Economist Barbara Ward and Media Guru Marshall McLuhan. It was, Anthropologist Margaret Mead once said, the closest thing to the great English house parties of the turn of the century—stimulating talk in an informal atmosphere.

On to Ecumenopolis. Doxiadis invariably supplied the framework for those discussions: ekistics. He felt that the world was rushing toward increasingly disorderly urbanization and sprawl. Conceding that the trend was inexorable, he insisted that growth could



DOXIADIS IN ATHENS (1966)

Something of an oracle.

be guided and made rational—but only if all elements of city building were treated together. He therefore urged architects, planners and engineers to get into ekistical harness with geographers, meteorologists, sociologists and economists. By the year 2100, Doxiadis said, such a collaboration could create "Ecumenopolis," an orderly, beautiful city of perhaps 25 billion people that would virtually cover the continents.

Other planners scoffed, arguing that with runaway population growth, man might not survive the next century, let alone reach Ecumenopolis. But even if his fondest dream seems unattainable, Doxiadis at the very least was responsible for taking city planning for the first time into developing countries and convincing world leaders of its importance. He was in effect the profession's supersalesman.



NEW PRIESTS LIE PROSTRATE BEFORE POPE PAUL VI AT MASSIVE HOLY YEAR ORDINATION IN ST. PETER'S SQUARE

RELIGION

The Road to Rome

As the sun set in a rosy Roman sky last week, 359 prostrate men in cream and gold vestments formed a vast rectangle in St. Peter's Square, participants in the largest group ordination in Vatican history. It was held on the Feast of Saints Peter and Paul, presided over by the man who a dozen years ago this day had ascended Peter's chair and assumed Paul's name. The litany over, the new priests—Africans, Asians, Oceanians, Europeans and Americans—rose two by two and approached the throne for the personal blessing of Pope Paul VI.

It was the mid-point of the 1975 Holy Year. The 150,000 pilgrims attending the ordination and the throngs at other events were proof, it seemed, of the continuing strength of Catholic piety. The attendance is also something of a personal triumph for Paul. Whether at the 3½-hour ordination or at his massive weekly outdoor audiences, the rigors of ritual have served to rejuvenate the 77-year-old Pontiff.

Open Doubts. For centuries now, Holy Years have come every 25 years, except for 1800 and 1850, when political problems interfered. Still, it was no automatic decision to proclaim one for 1975. There were questions of the Pope's health and the civic and ecological strains a Holy Year might place on the swollen and strike-plagued city of Rome. Moreover, a low turnout would proclaim Catholic indifference. Two years ago, Paul spoke openly of his doubts. "We have asked ourselves if such a tradition should be continued in our times," he said, because of all the changes since Vatican Council II and "the practical lack of interest in many parts

of the modern world in the ritual expression of other centuries."

The first Holy Year took place in 1300, when Pope Boniface VIII decreed a year known as the "Jubilee," after the Old Testament practice in which debts were forgiven every 50th year. In this case, however, the pardon was from penalties incurred through sin. In Catholic belief, the sinner was freed from eternal punishment (hell) through the sacrament of Penance. But temporal punishment (on earth or in purgatory) remained, and it could be removed in full by an indulgence granted to Holy Year pilgrims by the Pope, who controlled an "inexhaustible" treasury of the merits of Christ, Mary and the saints. In medieval and Renaissance times the church raised money by giving indulgences in return for donations. Later eliminated, this corrupting practice was the spark that set off Luther's Reformation.

At the last Holy Year in 1950, indulgences were still much on the mind of pilgrims as they visited St. Peter's and three other basilicas, reciting the required number of Our Fathers and Hail Marys. In 1975, a full ("plenary") indulgence is still offered to pilgrims who pray at least one of the basilicas, or to persons who join local pilgrimages if they are unable to travel to Rome. In the new interpretation that emerged out of Vatican II, Pope Paul has emphasized that the church's aim in granting indulgences is not only to "expiate" deserved punishment, but to stimulate "works of piety, penance and charity."

It was during the Holy Year of 1950 that Pius XII decreed that Mary was assumed bodily into Heaven; he also condemned those who thought otherwise.

The Papal theme for the current Holy Year, by contrast, is "renewal and reconciliation," starting within the polarized Catholic Church but extending to all mankind.

Indeed, it seemed that nearly all mankind was represented in Rome. After a disappointing trickle of pilgrims early in the year, the crowds finally began to come. By Easter, it began to be clear that this Holy Year would break all attendance records. As of last week, more than 3 million pilgrims had participated, twice the number who went to Rome in 1950.

Plane Crash. Among them were 10,000 Croats in national costume, busloads from Communist Poland, Filipinos, Samoans, Americans who took cost-cutting jet package tours (\$585 per person from New York City for a week, including meals), 40 Australian aborigines who lost all their belongings in a plane crash en route, and Calabrian peasants pushing their way through the crowds for a better peek at the Pope. Paul greets as many groups as he can ("The large group from Charlotte, N.C., gives us particular joy"). A surprising number of pilgrims are youths in blue jeans, waiting in line with their knapsacks at the Vatican information booths.

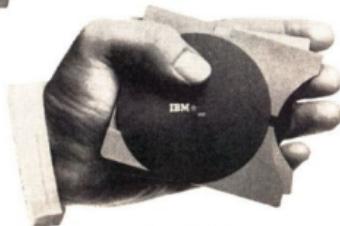
There is also an army of pickpockets who frequent the crowded city buses and invade the very sanctum of St. Peter's, where an Englishman had £120 lifted while he knelt to kiss the Holy Door. That door is sealed by bricks and ceremoniously opened at the start of a Holy Year. Swindlers are selling fake Holy Door bricks—complete with papal insignia—for \$50. Other cons: Vatican commemorative coins with a 650% markup and outrageous prices for



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phony scrolls supposedly blessed by the Pope.

The rip-offs, however, were a minor annoyance in the festivities. For a troubled church and the Pope who must lead it, the year has become a boost to morale. And to Paul, at least, it is something more. "The Jubilee of 1975," he optimistically told the College of Cardinals last month, is "a great demonstration of the vitality of the Vatican Council and its application to the level of the universal church. We have here an indication that its teachings were not in vain."

The Disappearing Jews

Since the Nazi Holocaust, which wiped out one-third of the world's Jews, "Jewish survival" has been a slogan that encompasses a number of issues. Besides support for Israel and Soviet Jewry, the concept includes attempts to counteract losses through secularization and intermarriage of Jews with Gentiles. Another, and some say the greatest threat to Jewish survival is being increasingly talked about: the trend among modern Jews to have small families. In the U.S., for example, enrollment in synagogue classes and day schools has declined by roughly one-fourth since 1965, owing largely to the falling Jewish birth rate.

At this spring's meeting of the Conservative rabbinate, a study was presented that advocated "immediate reconsideration of attitudes toward family size" and asked rabbis to promote bigger families in their synagogues. The liberal Reform branch is less worried about birth rates than the Conservative, but its national rabbinical conference last month also expressed concern over Jewish population trends and authorized a study of the issue.

Revering Z.P.G. "The statistics only really began to hit us in the past few years," says New York City Conservative Rabbi William Berman, who a year ago organized the Jewish Population Regeneration Union to promote a reversal. Zero population growth may be a good idea for humanity in general, he believes, but "it's not a service to humanity for Jews to disappear." Since Jews constitute only three-tenths of 1% of the world's population of 4 billion, Sol Roth, president of the New York Board of Rabbis, reasons that "the Jewish community will not solve the world's problems by applying Z.P.G. to itself."

Orthodox Rabbi Norman Lamm, who raised the question in a recent speech in Milwaukee, admits that world population control is a "moral imperative," but maintains that it must be balanced by a concern for survival of all human groups. "Jews are a disappearing species," he says, "and should be treated no worse than the kangaroo and the bald eagle." Lamm's recommendation: each Jewish couple should have four or five children.



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Cracks in the Bloc

As the Supreme Court puffed to the close of its term last week, legal observers noted that one of the longest regular sessions in history had also been one of the dullest. On the final day, for instance, the Justices ruled that defendants have the right to represent themselves without a lawyer if they wish and that border-patrol officers may not randomly stop cars away from border checkpoints to search for illegal aliens. If such cases did not add up to a banner year of decision making, court watchers were nonetheless fascinated by a potentially important change within the court: the continuing emergence of Harry Blackmun, 66, from the shadow of Chief Justice Warren Burger and the resultant cracks in the so-called Nixon bloc.

Friends from boyhood days back in St. Paul, Burger and Blackmun were quickly dubbed the court's Minnesota Twins. Blackmun's elevation to the court from the Eighth Circuit Court of Appeals was prompted by Burger's endorsement, and in Blackmun's first term the two differed on only 10% of the cases. They have never again been so much in accord, but a key split took place last July after the Chief wrote a draft of the court's unanimous opinion in *U.S. v. Nixon*, the explosive Executive privilege case. Most of the Justices found major sections of Burger's version sadly wanting, and Byron White and Potter Stewart prepared new language. TIME has learned that when the two confronted Burger with their suggested changes, the Chief Justice went

to Blackmun for expected support—and did not get it. Whereupon Burger backed down, and the White-Stewart version was used, albeit under the Chief's name.

During the current term, Burger and Blackmun disagreed 20% of the time. More important, Blackmun's opinions reflected a somewhat surer sense of his role as a Supreme Court Justice, and even occasionally a more liberal bent. In two cases involving antitrust law and criminal procedure, his vote tipped the result 5 to 4 against the conservatives. In a First Amendment case, Burger may have been following Blackmun. The junior Minnesotan expanded the free-speech protection of advertisements and cited with approval a dissent from an opinion he himself had written only a year earlier. Once its slowest writer of opinions, Blackmun no longer half kills himself by personally double-checking every case citation in every opinion he writes or joins, and he is keeping pace with the other Justices.

More Middle. Blackmun's maturing and rising independence has jostled court alignments. The four Justices nominated by Richard Nixon—Burger (1969), Blackmun (1970), Lewis Powell (1971) and William Rehnquist (1971)—at first seemed to be a reliable bloc that promised to move the court away from Warren-era liberalism. But Powell has at times made the foursome a threesome; and with Blackmun more of a question mark, Burger and Rehnquist are now the most certain votes on the right. The liberals—William Douglas, William Brennan and Thurgood Marshall—remain in general agreement. And, to be sure, they are still often in the minority. The *Wall Street Journal*, for instance, has detected a majority trend toward favoring business, partly because of a desire to cut the glut of cases challenging all manner of commercial activity.

But with White, Stewart, Powell and Blackmun now all occasional members of the searching middle, the court is increasingly unpredictable. "It can make for some very sloppy law," says Stanford Constitutional Expert Gerald Gunther. "But in the long run I think it is a healthy sign, because it reflects the fact that some judges are engaged in a serious effort to rethink difficult problems. You need a breaking up of rigid lines before you can come up with a coherent set of rules for new questions."

King of Bankruptcy

Some 188,500 hard-pressed individuals and companies in the U.S. went to court last year to declare themselves bankrupt. This year the total may reach a record 250,000. Nowhere is the business of going bust booming more than it is in that erstwhile capital of easy liv-

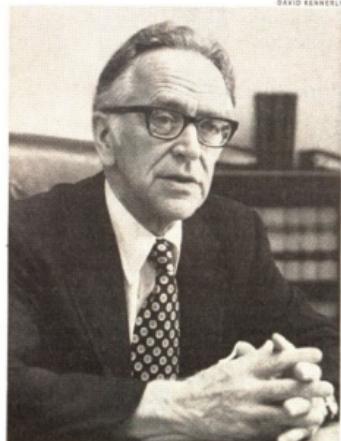


Slate during client interview
Leaving them broke with \$30,000.

ing, Los Angeles. Personal bankruptcies rose by more than 18% in the L.A. area last year, and they are already up another 48% in 1975. So it is no real surprise that the busiest bankruptcy lawyer in the nation is headquartered in Los Angeles. He is Hugh Slate, 58, of Slate & Leoni, which handles one in about every four bankruptcy cases filed in the Los Angeles area (a total of 11,451 last year). Slate & Leoni handles five times as many such cases as any other law firm in the country. "People once thought bankruptcy was just for big companies like the Penn Central," says the folksy, Tennessee-born ex-FBI man. "Now it's for truck drivers, waitresses and the middle class. It has no more stigma than divorce."

To accommodate a growing pool of potential customers, the Slate firm has eight full-time lawyers, seven part-time attorneys and 18 paralegal assistants working out of eight L.A. offices. All but about 340 of the 3,500 bankruptcies they handled last year were personal cases. Slate charges his customers an average of \$350 each and claims only \$10 of that is profit. Some other lawyers in the city ask as little as \$250, and it is possible (though risky) for individuals to handle their own bankruptcy cases with do-it-yourself forms. But Slate promises his clients that an attorney will oversee all key steps in the three-month bankruptcy process, including appearances in court—something most cut-rate lawyers often omit from their service.

Slate's first move with a client is to determine whether a full, or straight bankruptcy is really necessary. "If you



BLACKMUN IN HIS COURT OFFICE
Not always with Burger.

can feed your family and have enough to live on, you should pay your debts," he says. One practical reason: a court cannot discharge a bankrupt's debts again for six years, and if more serious financial troubles arise in that period, the debtor cannot escape his creditors. (About one in ten first-time bankrupts goes broke again.)

When a client can pay, Slate recommends a so-called Chapter 13 bankruptcy, under which debts are worked off on an agreed-upon repayment schedule. But when the customer is really flat broke, Slate recommends a straight bankruptcy, which is less painful than it sounds.*

Saved Car. Though Congress has the constitutional authority to establish uniform laws on bankruptcies, the states are permitted to exempt certain holdings from being seized and sold to satisfy creditors. California is one of the most liberal; it allows debtors to keep up to \$20,000 equity in a house, \$500 in a car, most household goods, tools of trade, \$1,000 in a savings and loan association account and \$1,500 in a credit union account. Moreover, under a ruling won by Slate a decade ago, Californians may convert any funds or assets into exempt categories before filing a bankruptcy petition.

An example: a man about to go bankrupt owns a car worth \$800. Because its value exceeds the allowable exemption, the car would normally be seized. A clever bankrupt lawyer could avoid that by arranging for his client to borrow \$800 from a finance company, using the car as collateral. If this is done, the car has no value except to the holder of the mortgage—*i.e.*, the finance company—so it will not be taken away. To protect the borrowed \$800, the client then deposits it in an S and L account, which is exempt from seizure. After being discharged of his debts by the court, the freshly minted bankrupt withdraws his \$800, pays off the loan and thus keeps his car—entirely legally. Using such techniques, one Californian was able to retain as much as \$30,000 in cash and property, while having all his debts permanently wiped out.

Slate takes pride in never refusing a client, and most of them leave his offices satisfied. Computer Designer Jerry Kiliszewski, for example, faced a \$3,000 judgment for a faulty set of cabinets he had built, plus a host of unexpected medical expenses; creditors had garnished a quarter of his wages and attached his savings account, car and aged pickup truck. Within 24 hours after Kiliszewski saw Slate, the garnishment and attachments were ended. Recalls his wife Pat: "When I said I don't understand the judicial system very well, Mr. Slate just said, 'Well, honey, everyone ain't been to Sunday school.'"

*The word is said to derive, according to Dr. Johnson, from the phrase used when a 16th century Italian money-changer became insolvent: "His bench was broke."



ANYONE IN JACK DANIEL'S HOLLOW could tell you this photo was snapped around 2:30 in the afternoon.

That's Harry Norman carrying his tasting tray to the mellowing room to sample some just-distilled whiskey. (He normally makes this trip at 2:30.) Frank Bobo has his mash tubs bubbling and, we'll bet, is hunting up his afternoon's Coca-Cola. Up beneath the silos, that's our miller tidying up from the two o'clock delivery of grain. You see, most things don't change too much in Jack Daniel's Hollow. And happily, Jack Daniel's Whiskey doesn't change at all.



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SPORT

Upset at Wimbledon

Jimmy Connors' skill at tennis is normally exceeded only by his preening self-esteem. In the preliminary rounds of the men's singles at Wimbledon, Defending Champion Connors, 22, rated No. 1 in the world, had not dropped a set, prompting him to predict smugly that last week's final would be "just another day at the office." Like Connors, the odds makers figured the match would merely be a mildly interesting

footnote to tennis history, and that only because his opponent, Arthur Ashe, 31, was the first black to reach the men's finals in Wimbledon's center court. They were wrong. Rocketing his serves and precisely stroking his ground shots, Ashe stunningly upset Connors, 6-1, 6-1, 5-7, 6-4, in the all-American final to win tennis' most coveted cup and a \$22,000 prize. His achievement has been equaled by only one other black tennis player: Althea Gibson, who won the women's singles at Wimbledon in 1957 and 1958.

Breaking Connors' serve five times, Ashe glided through the first two sets, then ran into trouble in the third as Connors appeared to regain his previously invincible form. In the fourth set, the Connors comeback continued, as he took a 3-0 lead. But Ashe fought back to break Connors' serve twice more for set, match and title.

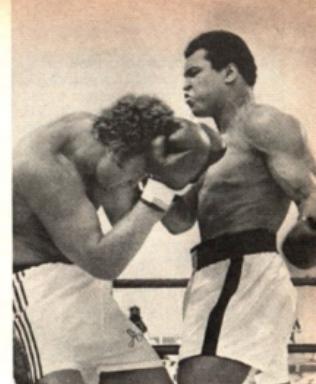
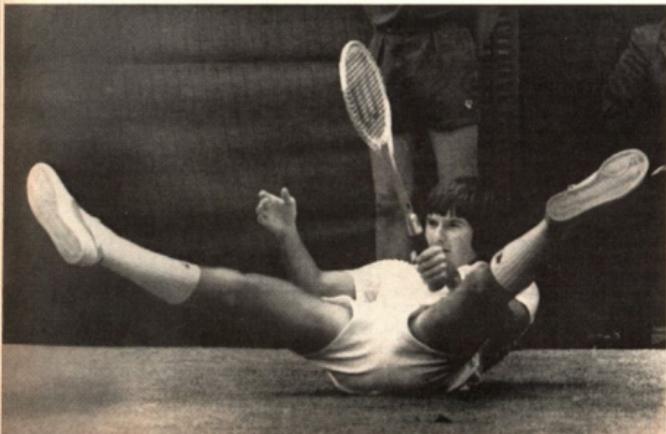
Two Hats. The victory, together with the World Championship Tennis title that he won in Dallas last May, puts Ashe at the very top of his profession for the first time. Son of a policeman, he learned tennis at the age of ten from a black physician in Richmond, Va., who hoped to develop the first black player to win the national Interscholastic Championships. Ashe won that tournament in 1961. As a freshman at U.C.L.A. in 1963, he achieved top-ten ranking among U.S. tennis players and has remained there.

But he had never quite reached the pinnacle. A year ago he told an interviewer: "The very fact that I wear my 'black hat' before my 'tennis hat' interferes with the single-mindedness required to be No. 1." Last week he wore both hats with consummate ease. After the match Connors was cocky as ever. Said he: "They don't know how to play me. They have to play out of their minds to beat me, as Arthur did today."

WINNER ASHE DISPLAYING HIS CUP



LOSER CONNORS TUMBLING ON THE GRASS DURING THE FINALS MATCH



ALI TOYING WITH BUGNER

Next Stop, Manila

The preliminaries are finally over. Ever since he upset George Foreman in Zaire last October to regain the world heavyweight championship, Muhammad Ali has been beefing up his bank account at the expense of harmless opponents. First he played with Chuck Wepner in Cleveland for \$1.5 million, then humiliated Ron Lyle in Las Vegas for \$1 million. Last week in Kuala Lumpur, Malaysia, he pocketed \$2.5 million with an easy 15-round decision over European Heavyweight Champ Joe Bugner. In fact, his toughest opponents in Kuala Lumpur were the sopping 118° under the ring lights and the near 100% humidity. Despite his weight (225 lbs.) and age (33), Ali showed impressive stamina, if not power, as he danced and shuffled through all but a few rounds.

Biggest Payday. What the champion had to announce after the fight, though, was far more interesting than the bout: on Oct. 1 in Manila, Ali will fight ex-Titleholder Joe Frazier. The purse, put up by the Philippine government, guarantees \$4.5 million for Ali and \$2 million for Frazier. Counting closed-circuit TV and other "ancillary" income, Ali should take home close to \$8.5 million, Frazier \$4.5 million—the biggest payday in the history of sport. As if they needed down-to-earth incentive, the two fighters shook hands on a whopping \$1 million personal bet. "It will be a thrill in Manila," proclaimed Ali. If he gets by Smokin' Joe, Ali promises to fight George Foreman and Ken Norton, and apparently Foreman can hardly wait. Last week his manager, Leroy Jackson, was in Manila to propose a super multimillion-dollar package for an Ali-Foreman rematch, featuring, as sideshows, a golf tournament with Jack Nicklaus and Johnny Miller, and a tennis extravaganza that would include Jimmy Connors and Chris Evert. Trouble is, nobody but Foreman has as yet signed on.



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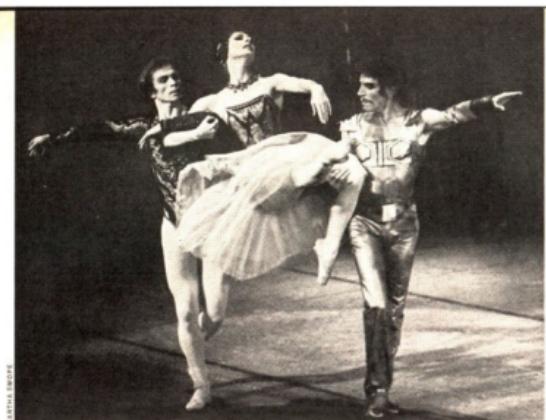
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GREGORY'S TRIUMPH IN RAYMONDA WITH NUREYEV & BRUHN . . .



. . . MARKS HER AS A BALLET SUPERSTAR

MUSIC & DANCE

Lady of the Still Point

For most of the ballet enthusiasts who saw its New York première, the American Ballet Theater's sumptuous new production of *Raymonda* provided a night to remember. For one thing, the visually dazzling revival marked the return of Denmark's Erik Bruhn, 46, from his retirement three years ago; at the peak of his career, he was widely regarded as the world's reigning *danser noble*. For another, Bruhn was appearing for the first time in the U.S. with his friend and rival Rudolf Nureyev, who has created a production that should enhance his reputation as a major choreographer. Finally, the première marked the emergence of American Ballerina Cynthia Gregory as a true superstar.

The lavish A.B.T. production is the first complete American version of this three-act ballet in nearly 30 years. In one sense, the neglect is hard to explain, since *Raymonda* is one of five surviving full-length works (including *Sleeping Beauty* and *Swan Lake*) of the 60 or so ballets created by the great Marius Petipa principally for St. Petersburg's Maryinsky Theater. The choreography ranks with Petipa's most inventive, and the score by Alexander Glazunov is both limpid and melodious.

Dream Sequence. On the other hand, the cumbersome romantic story involves what might be best described as a severe credibility gap. Briefly put, it tells of a countess in medieval Hungary who is torn between love for her betrothed, a dashing crusader named Jean de Brienne, and an earthier affection for a fiery Saracen knight, Abdul-Rakhman. Nureyev, who frequently danced in *Raymonda* when he was with Lenin-grad's Kirov Ballet, has staged the work

for A.B.T. with such taste and delicacy that it is hard to tell where his choreography begins and Petipa's ends. In a valiant effort to make psychological sense of the plot, he has turned the scenes involving the Saracen and his court into a dream sequence—a wedding-bound maiden's erotic fantasy about a phantom lover. Beyond that, Nureyev has blessedly jettisoned narrative, so that for the most part his *Raymonda* is a two-hour experience in pure dance.

And what dancing there is! Just as this is grand opera, there is also grand ballet—unfettered by logic, celebrating showmanship and dazzle for their own sake. There were a few opening-night technical mishaps, but Nureyev's *Raymonda* is so studded with spectacular solos, pas de deux, pas de trois, pas de quattres, stylistic evocations of folk dance and rousing ensemble displays that it is rather like a 19-course meal devised by an overeager master chef. There are almost too many delights to absorb. One of them, certainly, is a revitalized Erik Bruhn, who brings to the secondary role of the Saracen his magisterial elegance of line, as well as a Tartar-like ferocity surprising in a dancer noted for ethereal courtliness. Hampered by an ankle injury, Nureyev as Jean de Brienne performed his four demanding solo variations with visible strain; the unmistakable *élan* and animal dynamism were there, but not the usual accuracy. Still, his work with Cynthia Gregory was a model of supportive adoration.

The incandescent Miss Gregory danced the role as if it had been created for her alone, carrying out variation after variation—six in all—with radiant confidence. The breathtaking pauses at the peak of her balances last only a second or so; yet they seem to embody T.S. Eliot's haunting lines in *Burnt*

Norton: "At the still point of the turning world . . . There the dance is, but neither arrest nor movement." ■ John T. Elson

On tiptoe she stands nearly 6 ft. tall, towering majestically over most of her partners. Until a recent discreet bit of plastic surgery, her Grecian nose was too long for prettiness, and her long legs are notable more for strength than symmetry. Nonetheless, Cynthia Gregory—as no less an authority than Rudolf Nureyev puts it—is "America's prima ballerina assoluta. She is really magnificent."

She may also be America's least appreciated great dancer. A principal with the American Ballet Theater since 1967, she is incredibly versatile, performing anything from *Swan Lake* to Glen Tetley's angularly modern *Gemini*. Yet much more popular attention has been focused recently on the arrival of several notable defectors from Russia. "Americans don't appreciate their own people," she says. "We all love [Mikhail] Baryshnikov, and having [Natalia] Makarova in the company is healthy competition for me; but there are great American dancers too. Only we have nothing to sell but our dancing."

Gregory has been selling American dance for 14 years. California-born, the daughter of a dress manufacturer, she had her first ballet lesson when she was five. At 14, she won a Ford Foundation scholarship from the San Francisco Ballet before joining its corps a year later. She had three tryouts with A.B.T. before it accepted her into its corps in 1965. The problem, always, was her height.

Not surprisingly, she is somewhat obsessed with the search for a perfect partner. "I had great hopes for Erik Bruhn," she says wistfully. But by the time she was ready for Bruhn, he had retired; and in any case he was too short

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Toyota Corolla 2-Dr. Sedan	93.3
Datsun B-210 2-Dr. Sedan	92.1
Mazda RX-3 Coupe	91
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Chart based on EPA Gas Mileage Guide, January, 1975 Edition.

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Honda CVCC 2-Dr. Sed.	3-bbl.	90.8	37	27 11
VW Rabbit 2-Dr. Sed.	2-bbl.	89.7	38	24 11.9
VW Beetle 2-Dr. Sed.	Fuel inj.	96.7	33	22 10.6
Toyota Corolla 2-Dr. Sed.	2-bbl.	96.9	33	21 13.2
Pontiac Astre S Coupe	2-bbl.	146	28	21 16
Fiat 128 2-Dr. Sed.	2-bbl.	78.7	28	20 9.5
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The chart shows the average EPA mileage figures for Astre and its imported competition. And even when you compare the average mileage of Astre models against the imports, as shown, it still looks very impressive.



The bottom line.

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MUSIC & DANCE

(5 ft. 7 in.) to be ideal. Nureyev is also only 5 ft. 7 in., but she notes that dancing with him is "something special. I feel the contact and security that I had not quite felt before. With him you feel like a beautiful, desirable woman."

Although Gregory is girlishly demure as the bride-to-be in *Raymonda*, her customary onstage persona is cool, queenly, commanding. Offstage, though, she is shy, giggly, self-critical and uncertain. (One possible reason: she is currently separated from her husband of nine years, A.B.T. Dancer Terry Orr.) She seems uncomfortable with public acclaim ("I can't get it through my head that they are talking about me"). But her triumph in *Raymonda* may change that. As she told TIME's Rosemarie Tauris Zadikov last week: "It didn't really hit me until I stood in front of the curtain with Bruhn and Nureyev to take bows after the performance." (They received a 20-minute standing, cheering ovation.) "Suddenly I felt so elated. I said to myself, 'This is the peak so far. This is the chance I've been waiting for.'"

Pop Go the Pictures

Switched-on Bach, the burbling and tooling re-creations of the *Brandenburg Concerto No. 3* and other works on the Moog synthesizer, has become the best-selling "classical" record of all time (3 million copies sold worldwide to date). None of the subsequent sons of *SOB (The Well-Tempered Synthesizer, Moog Strikes Back)* has ever managed to overtake the original, but the newest and most interesting challenger is Tokyo's Isao Tomita, 43. After a slow start last year, his RCA album *Snowflakes are Dancing* (electronic versions of Debussy piano pieces) has passed the 200,000

mark. Three months ago, RCA came out with Tomita's second album of synthesized sound: Mussorgsky's *Pictures at an Exhibition*. It has already sold more than 100,000 copies, a success partly attributable to a mammoth marketing campaign by RCA. Last week the album was not only No. 1 on one classical chart but had also worked its way into the pop top 50 and even onto the jazz chart of the trade magazine *Record World*.

Poor old Mussorgsky: Rimsky-Korsakoff doctored *Boris Godunov* almost beyond recognition, Stokowski mangled *A Night on Bald Mountain*, and now Tomita has repainted *Pictures*. It is a marvel that the original music has the strength to stand up to this kind of dilution, like a good Scotch to soda. Tomita's *Pictures* is no threat to Sviatoslav Richter's classic version of Mussorgsky's piano original, or the Toscanini interpretation of the expert Ravel orchestration. What Tomita does is pop art pure and simple. It is benevolent caricature, a funny-paper treatment of the classics for those who get nervous at the real thing.

Unlike so many of the funnies, *Pictures* is often funny. Listening to it on an RCA Quadradisc, one hears each of the first four notes of the opening "Promenade" from a different loudspeaker. Disconcerting, that. So, at first, is the fact that the sound is not Mussorgsky's piano or Ravel's trumpet, but one of human voices—or rather, canned choral sounds transmogrified by Tomita's Melotron, an electronic keyboard device that plays prerecorded tapes. Things perk up considerably with the first picture, "The Gnome," a succession of subterranean squeaks and giggles that resemble a band of tipsy trolls frolicking beneath Frankenstein's castle. As for "The Old Castle," it sounds like a caravan of balalaika players pursuing an Arabian shawm virtuoso.

Slow Clock. The man responsible for all this is a mild and scholarly former art-history student. Inside his Tokyo apartment there are TV sets everywhere, James Brown or Elvis bellowing from the kitchen radio, and a clock on the wall that appears to be five hours slow. "We like to think of it as being seven hours fast," says Tomita, long resigned to the incongruity of being an electronics master who cannot fix a clock.

In Japan, Tomita has been known mainly as the composer of standard orchestral sound tracks for a historical drama series that is watched every Sunday night by as much as 30% of Japan's TV audience. "The orchestra is perhaps my first love," says Tomita, "but how can one ignore the synthesizer in this day and age?" For one thing, he cannot afford to ignore it. He still owes the bank \$150,000 for the six electronic keyboards, four tape recorders and assorted filters, mixers, phasers and generators jammed into his 10 ft.-by-12 ft. studio with which he is now hard at work rekindling Stravinsky's *The Firebird*.

MILESTONES

Married. Cher Bono, 29, TV singer (TIME, March 17); and Gregg Allman, 27, lead singer-organist with the Allman Brothers rock band; he for the third time, she for the second; three days after divorcing her former TV partner, Sonny Bono; in Caesar's Palace in Las Vegas. Wearing an ice blue satin gown, teetotaler Cher downed a Coca-Cola toast to her new husband. The groom's down-home grandmother, Myrtle Allman, 74, sounded pleased—more or less. "I'm sure I'll love her," she said, then added that it would be nice if Cher "started wearing some more clothes."

Died. Tim Buckley, 28, folk balladeer of the late '60s; of an apparent heart attack; in his Santa Monica, Calif., home. Buckley's sensitive lyrics (*Goodbye and Hello*) and ragged, mother-me looks earned him adulation beginning with his first album in 1966, but his shift to jazzier, more experimental forms cut sharply into his popularity and income.

Died. Richard P. Loving, 42, a Virginia construction worker whose marriage to his Indian-Negro childhood sweetheart led to a landmark civil rights ruling; in an auto accident; in Caroline County, Va. Routed from bed at 2 a.m. five weeks after their 1958 marriage, the Lovings were sentenced to a year in jail or 25 years of exile from the state for violating Virginia's antimiscegenation laws. After five hardscrabble years in Washington, D.C., they chose to return home and fight the statute, winning in 1967 the Supreme Court's ruling in *Loving v. Virginia* that voided all state laws against interracial marriages.

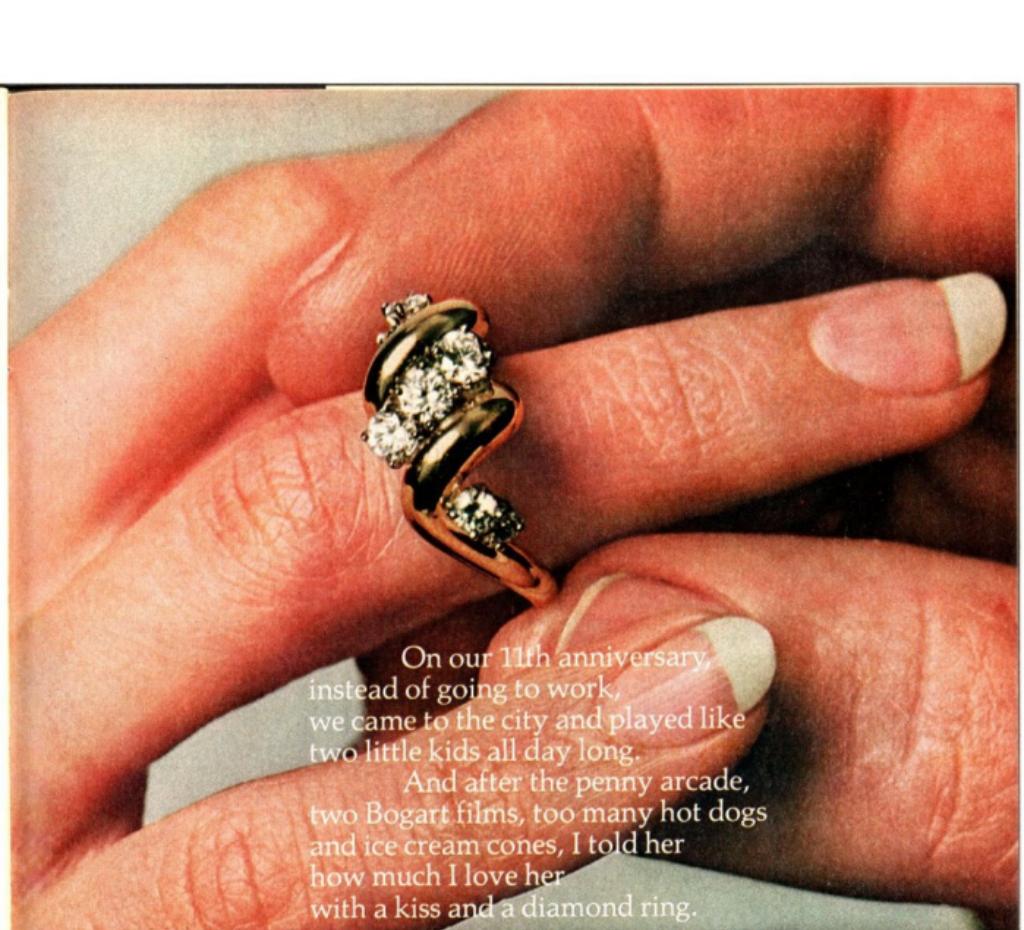
Died. Constantinos Apostolos Doxiadis, 62, visionary Greek city and regional planner; of multiple sclerosis; in Athens (see ENVIRONMENT).

Died. James Robertson Justice, 70, doughty, spade-bearded Scottish actor; following a series of strokes; in King's Somborne, England. Gruff-voiced and massive (270 lbs.), Justice appeared in more than 40 films, among them *Moby Dick*, *Les Misérables* and *The Guns of Navarone*. He was best known as the irascible surgeon Sir Lancelot Spratt in the British *Doctor* comedy series of the 1950s and '60s.

Died. Wolf Ladejinsky, 76, Russian-born land reformer; in Washington, D.C. A specialist in Soviet and Asian farm policies, Ladejinsky was tapped by General Douglas MacArthur in 1945 to draw up a land reform bill for occupied Japan. The legislation he drafted emancipated Japan's tenant farmers enabling millions of them to acquire title to their plots and toppling forever the base of Japanese feudalism.

COMPOSER TOMITA AT THE SYNTHESIZER

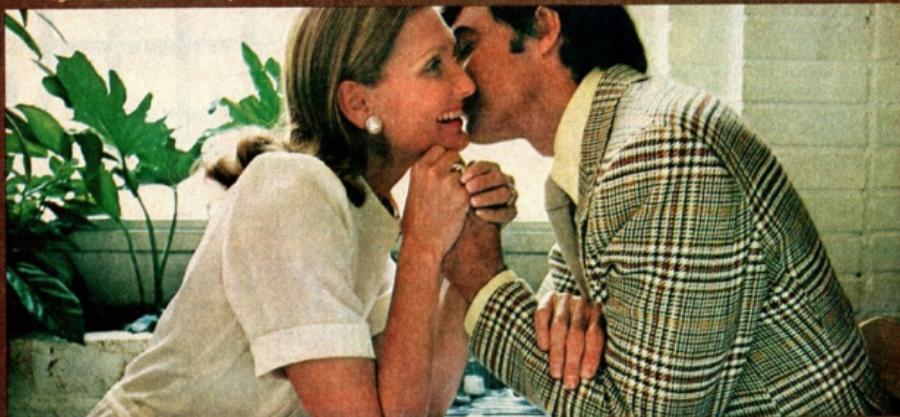




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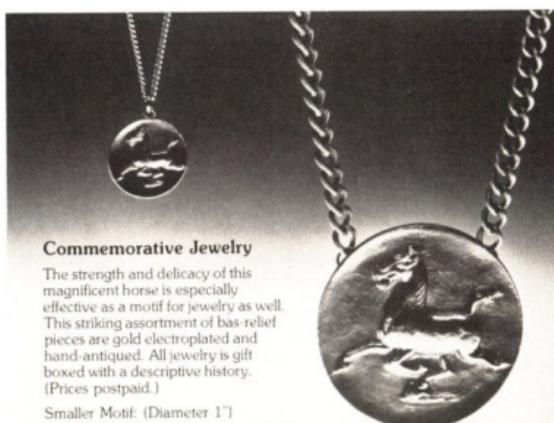
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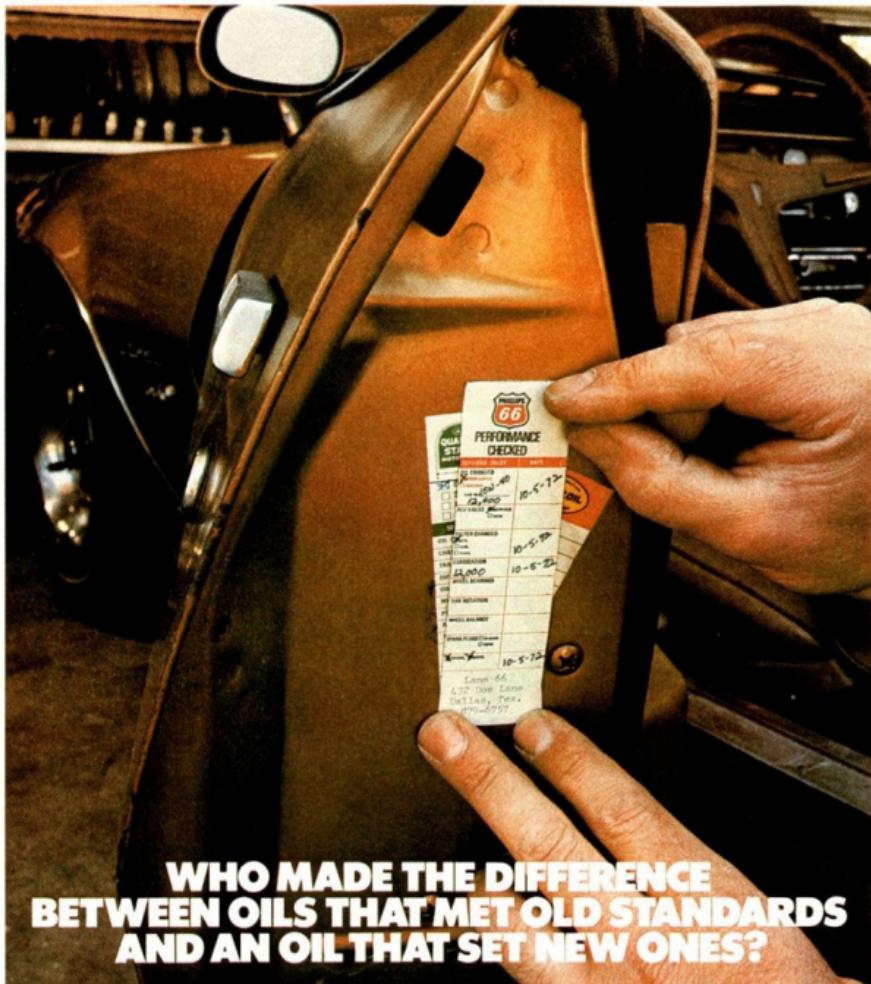
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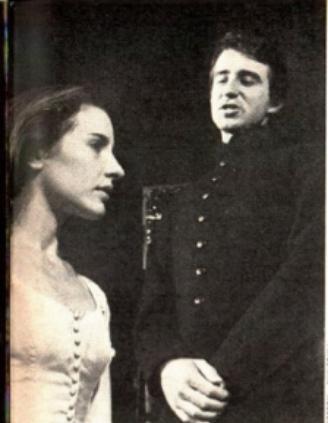


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MARCOVICCI & WATERSTON IN HAMLET

PHOTOGRAPH BY ROBERT M. COOPER

THE THEATER

The Dane as Cipher

HAMLET

by WILLIAM SHAKESPEARE

The best things in life may be free, but so are some of the worst. Joseph Papp's New York Shakespeare Festival is offering *Hamlet* for nothing at Central Park's Delacorte Theater, and it is worth nothing.

Sam Waterston is the most maladroit Hamlet to appear on a professional stage in the past decade. He bears not the remotest resemblance to a prince. He is like a little boy throwing a nightlong tantrum. His twitchy gestures suggest those of a puppet on the strings of a drunken puppeteer. His voice is woefully devoid of resonance. He delivers the Shakespearean line like a squawk box in dire need of a lozenge. Add to this little humor and less thought, and Hamlet and the Dane becomes Hamlet the Cipher.

Tin-Pot Fascist. To judge by the uniforms worn at Claudius' court, the usurping king is a tin-pot fascist. Robert Burr plays the role like Dean Martin presiding at a "roast"; Andrea Marcovicci plays Ophelia like a stewardess in search of an Upper East Side singles bar; and if Ruby Dee's Gertrude is capable of loving either Claudius or Hamlet, it will certainly be news to them. Only Larry Gates, doubling as Polonius and the First Gravedigger, emerges from this fiasco with a modicum of merit.

The blameworthy director is Michael Rudman, but the greater responsibility lies with Papp. A public subsidy is a public trust. So is a private grant. These ought to be regarded as incentives to dramatic excellence, not as an opportunity to fob off shoddy aesthetic goods on the gullible.

*T.E. Kalem

AN EXPERT ANSWERS YOUR QUESTIONS ABOUT MUSCLES

Our files show that thousands of readers like yourself want to build bulging muscles and achieve real physical power like their favorite athletic champions. How to go about it? We decided to ask an expert, Dave Prowse, 3-times British Weightlifting champion and leading fitness expert. Here are his answers.

Q. What does it take to build muscles?

- A. Basically, it takes exercise. Almost any exercise will help to develop at least some of your muscles if you keep at it long enough and hard enough. Q. Isn't there an easier way?

- A. Yes. There is one outstanding, effective training method that is also fast and easy—the one I use and recommend—the new Bullworker system.

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A. The Bullworker is a revolutionary new muscle-building exerciser based on Isometrics, the science that measures muscle strength more accurately than conventional methods. In my opinion, it's the most advanced training system in the world today. Many leading athletes use it: World-famous Heavyweight Boxer Muhammad Ali, World Heavyweight Judoka Wong Rong, and Cycling Champion Eddy Merckx, to name only a few.

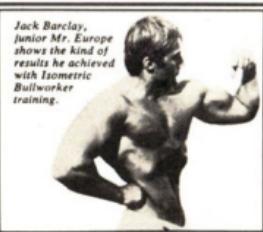
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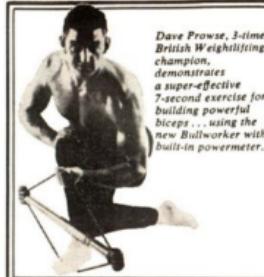


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Q. What do those figures mean in visual terms?

A. They mean that in as little as 14 days you can actually begin to see muscle growth in a mirror and verify it with a tape measure. Every week thereafter brings ever faster growth.

Q. But to get such impressive results, don't you have to work very hard?

A. Absolutely not. That's the outstanding advantage of Isometric training... it's so amazingly easy! Each "Static-power" Isometric exercise takes only 7 seconds, and you barely have to move. It's not even necessary to disrobe. The Bullworker is designed to fit in your home, office, garage, gym, the office, anywhere... even while watching TV! It's a great improvement over bulky, expensive weights, bicycle machines, pulleys, etc.

Q. Can Bullworker training even develop bodies which are weak and skinny, or fat and flabby?

A. Definitely! It's been proven by thousands of men of every shape, size and age all over the world that the Bullworker can turn weak, thin arms into rippling muscular pillars of strength, build broad powerful shoulders, turn flat, shallow chests into deep manly ones, forge loose stomach flab into steel-hard, well-defined muscle... build the physique of a real athlete, develop sturdy, contoured thighs and calves.... And all this in record time!

What's more, I've known skinny, shy fellows who, after just a few short weeks with Bullworker, turned into strong, trim, confident, athletic... bowling girls over with their dynamism, confidence, and new found power! You really have to see the remarkable effects of Bullworker for yourself to believe them!

Q. How can I find out more about the Bullworker, perhaps actually try it for myself?

A. I understand that the Bullworker distributor in the USA is now making it available—free—on a two week home trial basis in order to introduce it to the general public. If you are interested in developing your body... in building muscle and strength faster than ever before possible, I suggest that you contact the US distributor for full details.

COVER STORY

Can Capitalism Survive?

Like the American nation, the economic system known as capitalism is nearing a bicentennial: the 200th anniversary of the publication, in 1776, of the Scottish philosopher Adam Smith's classic work, *The Wealth of Nations*. In its 1,097 pages, the world found the first full description of a free economy—one in which, Smith prophesied, the drives of millions of people for personal profit, colliding against each other in an unfettered market, would produce "universal opulence which extends itself to the lowest ranks of the people." His book rapidly became a capitalist declaration of independence from the remaining shackles of feudalism and helped launch an economic revolution that has produced far more wealth than man had amassed in all previous history. Yet today the heirs of that revolution cannot celebrate in triumph. As capitalism approaches its bicentennial, it is beset by crisis. Increasingly, its supporters as well as its critics ask: Can capitalism survive?

The question is all the more urgent because the U.S., by far the most powerful capitalist economy, is recovering from its recent debilitating bout of inflationary recession and faces a particularly uncertain economic future. Production is beginning to rebound. Officially, the unemployment rate fell from 9.2% in May to 8.6% in June. But that was a statistical fluke, reflecting the imprecision of the Government's methods in measuring the number of students entering the job market for the summer. Thus the jobless rate could well go up again in the months ahead. Most experts expect the rate to stay above 8% for at least another year and not dip below 7% until 1977.

Bringing it down faster might well require surges in demand that would kick up a new, probably more devastating inflation. There is a gnawing fear that capitalism has no way to cure inflation except deep recession, and that any concerted attempt to lift an economy rapidly out of recession will only fan inflation.

The situation is more threatening in other major capitalist nations. Britain, with its inflation roaring at 28% and its pound scraping an alltime low of \$2.19, totters on the edge of economic collapse. To fight severe inflation, the governments of Italy and Japan are putting their peoples through the worst recessions in a quarter-century. Inflation in Canada is currently running at 10.1% and in Australia at 17.5%. Even West Germany, which has the most successful postwar economy, is wrestling now with inflation and unemployment.

Inflationary recession is only the most imminent danger; there are longer-range, subtler perils too. Within many a capitalist country, the free market is being steadily hemmed

in by the power of omnipresent government regulators, mass unions and giant corporations. Meanwhile, many intellectuals—and young people—contend that capitalism at best can build only a rich, not a just society. In January seven Nobel prize winners, including Economists Gunnar Myrdal and Kenneth J. Arrow, signed a declaration condemning Western capitalism for bringing on a crisis by producing "primarily for corporate profit." They called for an intensive search for "alternatives to the prevailing Western economic systems."

Externally, the advanced capitalist societies confront a preindustrial world full of suspicion of "economic imperialism" and eager to use its control of some basic raw materials to capture a greater share of global wealth. One illustration of the size of the threat is the disruption of Western economies caused by the huge price increases of the Organization of Petroleum Exporting Countries, most of whose members have centrally run economies. The oil-price crisis has slowed the economic growth that is one of capitalism's main justifications for existence.

British Historian Arnold Toynbee has glumly predicted that the commodity-producing nations will launch a kind of economic siege warfare against the Western capitalistic world, which will react by putting its own economies "in irons"—that is, dictatorially regulating all production, consumption and investment. U.S. Economist Milton Friedman, a disciple of Adam Smith, darkly suspects that capitalist freedom will turn out to be "an accident" in the long sweep of history, and that humanity will sink back into its "natural state" of "tyranny and misery."

It is a little early to write off capitalism. The system has survived wars, depressions, the loss of colonial empires—even the accession to government power, in such countries as Britain, France and Germany, of parties that called themselves socialist but proved unable or unwilling to dismantle the system.

Today, ironically, the strength and adaptability of capitalism are appreciated

ADAM SMITH (CIRCA 1776)

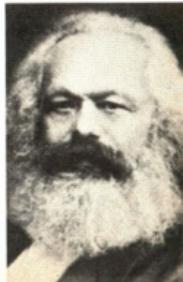
THOMAS MALTHUS



DAVID RICARDO



KARL MARX



most by fervent socialists who would like to destroy the system but realize they are nowhere near their goal. New Left Philosopher Herbert Marcuse denounces capitalism's profit motive as "obscene" but concedes that it is so powerful that the downfall of capitalism "is not imminent." Michael Harrington, the pre-eminent American socialist, concedes that capitalism "has shown remarkable resiliency" and predicts that it "will spend and plan its way out of the present situation."

It Started with Self-Interest

Capitalism's whole spirit is growth through adaptation to ceaseless change—in prices, profits, technology, consumer tastes. In fact, its intellectual history begins with Adam Smith's effort to explain why and how the natural instincts and capabilities of free men cause economies to change and progress. All this is worthy of being recalled today because it remains little understood.

Smith was not the first to catch glimmers of the potential power of a free economy. Some scholars argue that he did no more than pin down and define the rationalist, antiauthoritarian ideas that were in the air 200 years ago. But Smith did that with such mastery that he produced the world's first complete and coherent theory of economic behavior, establishing the starting point for all subsequent capitalist thought.

In Smith's view, the great motivator of economic activity is "the uniform, constant, and uninterrupted effort of every man to better his condition"—or, bluntly, self-interest. Only this drive moves men to produce the goods that society needs. As he put it: "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest." (Smith, observed English Economist Walter Bagshot in 1888, "thought that there was a Scotchman inside every man.")

Self-interest expresses itself as the drive for profit and produces that great

marvel, the self-regulating market. If consumers are free to spend their money any way they wish, and businessmen can compete uninhibitedly for their favor, then capital and labor will flow "naturally" (a favorite Smithian word) into the uses where they are most needed. If consumers want, say, more bread than is being produced, they will pay high prices and bakers will earn high profits. Those profits will lure investors to build more bakeries. If they wind up turning out more bread than consumers want to buy, prices and profits will fall and capital will shift into making something that consumers need and desire more—shoes, perhaps. Thus the businessman seeking only his own profit is "led by an invisible hand to promote an end which was no part of his intention"—the common good.

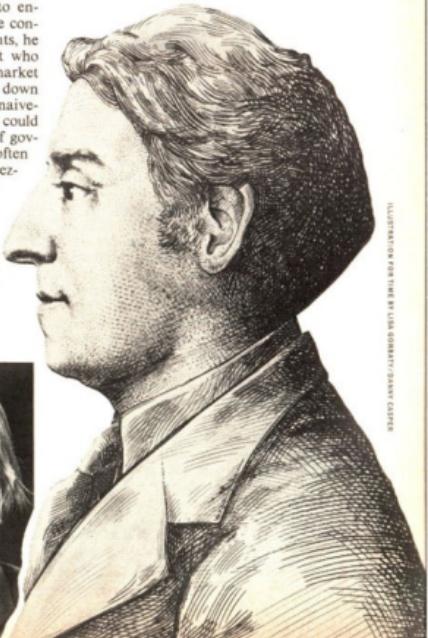
Moreover, the process is not merely circular but also dynamic. Competition keeps wiping out the inefficient businessmen, rewarding those who can turn out the most goods at the lowest prices and forcing even them to keep reinvesting their profits in new products or better operating methods if they want to stay ahead of their rivals. As a result, production keeps rising, pulling up wages ("The liberal reward of labor ... is the natural symptom of increasing national wealth") and distributing to everyone more of "the necessities, conveniences and amusements of human life."

Smith's system was designed to enthronize not the businessman but the consumer. Far from admiring merchants, he looked upon them as a greedy lot who were forever trying to bypass the market by conspiring to fix prices and hold down wages. But he thought, somewhat naively, that such monopolistic schemes could prosper only with the active aid of government—which, in his day, they often got. So he advocated complete laissez-faire. Government, he said, should stop trying to regulate trade, cease all intervention in the market and let free competition work its wonders.

These ideas were well to the left of the 18th century's mercantilist

doctrine, which held that trade should be strictly regulated in order to pile up gold and silver in national treasuries. The ideals also ran counter to the strong feelings among upper-level society that "opulence" for the "lower ranks" would be very dangerous. Smith's revolutionary concepts took some time to catch on. But *The Wealth of Nations* was read by all the leading intellects of the time and praised by many, including Smith's friends David Hume and Edmund Burke. By the early 19th century, Smith's doctrine had conquered the academic world and began inspiring governments to unchain their economies. In 1846, for example, British reformers quoting *The Wealth of Nations* repealed the Corn Laws, which had kept food prices high by restricting imports. U.S. state legislatures, influenced by the new vogue of free competition, passed laws permitting any investors who met minimum qualifications to set up a corporation; previously, each corporation had to be chartered separately, and the charters amounted to grants of monopoly power. Almost on cue, some wonders followed—both beneficent and malign.

Entrepreneurs accumulated and reinvested capital on a truly awesome scale. Production multiplied to a degree that is difficult to believe, considering how close the precapitalist world was to the Middle Ages in most material conditions of life.

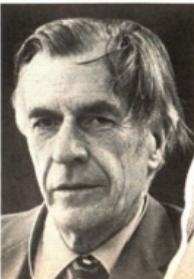


ADAM SMITH (CIRCA 1975)

JOHN MAYNARD KEYNES

MILTON FRIEDMAN

JOHN KENNETH GALBRAITH





SWEATSHOP SEWING ROOM IN NEW YORK CITY'S GARMENT DISTRICT (CIRCA 1870)

Starting as young as age eight, working as much as 84 hours.

Some statistics: world production of pig iron soared from 10 million tons in 1867 to 357 million tons a century later. As late as 1850, human muscle and animal power accounted for 94% of the energy used in U.S. industry; today they supply less than 1%. Populations burgeoned as capitalism produced the food and goods to keep unprecedented numbers of people alive. North America's population exploded from 5.7 million in 1800 to 81 million by 1900 and 339 million in 1973.

But capitalism also proved to be a disruptive force on an equally gigantic scale. It subjected humanity to the psychological shock of living with continuous and

accelerating technological and social change. The Industrial Revolution covered Europe and America with what Smith's contemporary, Poet William Blake, called "dark Satanic mills," wiping out cottage industry and jamming workers into ugly new factory towns. Though the purchasing power of factory workers began to rise slowly, a father's earnings were often insufficient to support a family. Children as young as eight worked as much as 14 hours a day in the mills and mines.

Exploitation of labor continued for generations. As late as the 1890s, Henry C. Frick, after breaking a strike at the

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Carnegie Steel Works in Homestead, Pa., reduced wages and re-established an 8-hour work week. At the other end of the scale, Andrew Carnegie, John D. Rockefeller and other capitalists accumulated immense fortunes, in part because they proved Adam Smith wrong in thinking that an unregulated market could not be monopolized. In 1912, Woodrow Wilson, no radical, lamented that "we are caught in a great economic system which is heartless."

Some of the thinkers who followed Adam Smith had made capitalism seem heartless indeed. The Rev. Thomas Malthus thus grimly announced that no person has any claim on society for a "right to subsistence when his labor will not fairly purchase it." David Ricardo worked out what became known as the "iron law of wages." His thesis: workers in the long run would get only the bare minimum necessary to keep themselves and their families alive. If they temporarily should earn more, they would breed so many children that competition for jobs eventually would drive wages down again. Ricardo did not think that this state of affairs was desirable—only inevitable. Nonetheless, and Malthus earned for capitalism economics a name that it has never shaken. Thomas Carlyle had them in mind when he referred to "Respectable Professors of the Dismal Science."

The science seemed especially dismal to Karl Marx, who damned capitalism as an inhuman system in which "all that

The Revolutionary of Economics

He was the classic absent-minded professor, a philosopher so immersed in his studies that he often seemed to lose touch with life around him. At social gatherings, he would stand alone talking silently to himself, moving his lips and smiling—although, said a friend, if someone interrupted his reverie, "he immediately began a harangue." As a classroom lecturer, he would stammer and stammer for at least a quarter of an hour before hitting his oratorical stride. Contemporaries loved to talk about the night that he got out of bed absorbed in some theory and wandered 15 miles in his dressing gown before thinking to wonder where he was. Altogether, Adam Smith was scarcely the man to whom an ambitious moneymaker would turn for guidance on the intensely practical questions of how prices, profits and wages are determined.

Yet Smith devoted many of his meditations to just such questions, with startling results. He spent at least ten years writing a book that friends despaired of his ever finishing. Smith described himself as an agonizingly slow workman "who do and undo everything I write at least half a dozen times before I can be tolerably pleased with it." He worked out most of the wording on solitary walks along the windswept shores near his home town of Kirkcaldy, Scotland, then often dictated the results to an amanuensis. He finally published the work in March 1776, under the mouth-filling title *An Inquiry into the Nature and Causes of the Wealth of Nations*, and thereby laid the intellectual foundations of capitalism.

It was a rarely equaled example of the detached scholar's ability to explain and influence the world of affairs. Smith's absorption in economics, which he called "political economy,"

was a product of sheer intellectual curiosity. That curiosity led him to read everything that he could find about money, to study statutes on trade, interview businessmen and visit workshops (*The Wealth of Nations* opens with a detailed description of a pin factory)—but not to practice what he preached. Though he considered the desire to accumulate wealth an overwhelmingly powerful motive for humanity in general, he chose for himself what he called the "unprofitable" profession of scholar and man of letters.

His biography consists of little more than a professor résumé: son of a collector of customs; student at Oxford; a popular lecturer at Edinburgh University; tutor to the young Duke of Buccleuch; full professor of logic and then of moral philosophy at Glasgow; and author in 1759 of a philosophical treatise, *The Theory of Moral Sentiments*. A bachelor, Smith relied on his mother and a maiden cousin to keep house; if amorous affairs ever distracted him from his studies, they have gone unrecorded. "I am a beau in nothing but my books," he once remarked, while showing off his 3,000-volume library to a friend.

Though Smith was a quiet scholar, he was scarcely bloodless. He comes fully alive in his writings as a skeptical observer of human nature, a staunch advocate of political as well as economic liberty, and now and then something of a deadpan Scottish wit. Much of *The Wealth of Nations* is unreadable today, but the browser comes across unexpected bits of phrasemaking—for example, the first description of England as "a nation of shopkeepers." It was no compliment. Smith complained that only such a nation could follow such a mean-spirited policy as Britain's colonial exploitation of its American colonies.

holy is profaned." He charged that it tended to "mutilate the laborer into a fragment of a man, degrade him to the level of appendage of a machine." In *The Communist Manifesto* (1848), Marx and Frederick Engels conceded that capitalism "has created more massive and more colossal productive forces than have all preceding generations together." Nonetheless, Marx prophesied that capitalism would destroy itself: "Capitalist production begets, with the inexorability of a law of Nature, its own negation."

Capitalism, Marx reckoned, would pour out more goods than workers could buy with the paltry wages that the system paid them. Wages might rise during a period of expansion, but that rise would cut into profits, leaving capitalists with too little investment money to keep the boom going, and the machine would falter into a slump. Big capitalists would seize the opportunity to slash wages, buy up the plants and machinery of their ruined brethren and get the boom going again, but the cycle would repeat itself, leading to a worse crash. Eventually, ownership of the means of production would be concentrated among so few capitalists that they would be ripe for overthrow by a proletariat driven by increasing misery into revolution.

Though the apocalyptic prophecy was spectacularly wrong, Marx did point out two highly vulnerable areas in the system. His theory of capitalist concentration anticipated the rising power of large cor-



ASSEMBLY LINE WORKER AT GENERAL MOTORS' VEGA PLANT, LORDSTOWN, OHIO
Lifting the poor to the middle class, and perhaps even higher.

porations, which can stifle competition and raise prices even in periods of weak demand. More important, Marx heralded the terrifying and prolonged depressions of the 1870s and the 1930s, which classical economics said the self-regulating market would never permit. The nightmare of the 1930s for a while threatened to give Marx the final word.

Fortunately, the Great Depression also inspired the most significant theories of John Maynard Keynes, the British economist who has often been called the savior of capitalism. Keynes insisted that a government could get the free economy moving up again by pumping in purchasing power—through tax cuts, heavy spending and the outright creation of

money. Then production would increase, generating more savings, which would be invested. His prescription worked—though it took Government spending on the previously unimaginable scale of World War II to end the Depression. (Keynes also said that tax increases and spending cuts could help contain inflation, but popularly elected governments have seldom been brave enough to follow this part of the Keynesian prescription.)

Since World War II, all capitalist governments have become enthusiastically Keynesian. None would dream of leaving a depression, or even a severe recession, to right itself. By winning acceptance for the idea that government is responsible for the health of the economy,

Above all, the reader encounters an amazingly wide-ranging mind. Economics for Smith was only one interest of the philosopher—"whose trade it is not to do any thing, but to observe every thing." Accordingly, he discusses the intellectual underpinnings of government, education, religion, even artistic freedom (the state, he wrote, should give "entire liberty to all those who . . . would attempt, without scandal or indecency, to amuse and divert the people by painting, poetry, music, dancing"). Among his opinions:

ON WORK AND LEISURE. Great labour, either of mind or body, continued for several days together . . . requires to be relieved by some indulgence, sometimes of ease only, but sometimes too of dissipation and diversion. If it is not complied with, the consequences are often dangerous, and sometimes fatal.

ON COLLEGE RULES. The discipline of colleges and universities is . . . contrived, not for the benefit of the students, but for the interest, or more properly speaking, for the ease of the masters.

ON AUTHORITARIANISM. Fear is in almost all cases a wretched instrument of government, and ought in particular never to be employed against any order of men who have the smallest pretensions to independency. To attempt to terrify them, serves only to irritate their bad humour, and to confirm them in an opposition which more gentle usage might easily induce them . . . to lay aside.

ON LOTTERIES. The world neither ever saw, nor ever will see, a perfectly fair lottery . . . because the undertaker could make nothing by it. In the state lotteries the tickets are really not worth the price, [yet] the soberest people scarce look upon it as a folly to pay a small sum for the chance of gaining ten or twenty thousand pounds . . . In a lottery in which no prize exceeded twenty pounds . . . there would not be the same demand for tickets.

ON INTERNATIONAL RELATIONS. In ancient times the opulent and civilized nations found it difficult to defend themselves against the poor and barbarous nations. In modern times the poor and barbarous find it difficult to defend themselves against the opulent and civilized.

ON HUMAN EQUALITY. The difference of natural talents in different men is, in reality, much less than we are aware of . . . The difference between the most dissimilar characters, between a philosopher and a common street porter, for example, seems to arise not so much from nature, as from habit, custom and education.

ON SYMPATHY. To seem not to be affected with the joy of our companions is but want of politeness, but not to wear a serious countenance when they tell us their afflictions, is real and gross inhumanity.

ON HAPPINESS. What can be added to the happiness of a man who is in health, who is out of debt, and has a clear conscience?"

What could also be added to happiness was the sense of achievement—and by his death at 67 in 1790, Smith certainly had that. *The Wealth of Nations* went through five editions in his lifetime at a price equivalent to \$65 a copy—many thousands of copies a year are still sold today—and won him a comfortable sinecure as commissioner of customs in Edinburgh. He was able to tell his aristocratic former patron, Statesman Charles Peter Townshend (whose stepson he had tutored), that he no longer needed the heavy subsidy that Townshend had been paying him in order to get by. More important than the money were the plaudits of his fellow intellectuals. It was already possible to say, as the British writer and archivist James Bonar did in 1894, that *The Wealth of Nations* had "probably secured its author as near an approach to immortality as can fall to any economic writer."

^aThe last two quotations are not from *The Wealth of Nations*, but from *The Theory of Moral Sentiments*.

ECONOMY & BUSINESS

Keynes promoted a degree of state intervention into the market that has helped transform capitalism in a way that Smith never anticipated.

Keynesian philosophy accelerated the trend toward progressive legislation, which had been building in the U.S. since the days of the early trustbusters and Teddy Roosevelt, and inspired a bewildering complex of interventionist policies. U.S. companies and entrepreneurs, for example, are restricted by banking and stock market regulations, antitrust prohibitions, consumer protection and antipollution laws, "affirmative-action" programs that aim at forcing the hiring of more blacks and women, to name only a few measures. The poor who cannot sustain themselves in the market get Medicaid, welfare payments, food stamps.

Not all of this Government intervention has been beneficial, of course, and

ican Economist George Stigler announced that "economics is finally at the threshold of its Golden Age—nay, we already have one foot through the door."

Today few would express such euphoria, but many economists, politicians and philosophers propose various solutions to the troubles in the system.

Inflation and Recession

Through the 1960s, these were considered antithetical problems: inflation was a phenomenon that accompanied booms, and recession was so much its opposite that it was often called "deflation." Today, inflation and recession have become overlapping phases of a cycle—to which economists have given such cacophonous names as "stagflation," "slumpflation," "inflation" and "inflump." Breaking that inflation-recession cycle is rapidly becoming the major problem, not only of capitalism, but of democracy. Inflationary recession is more likely than anything else to make voters turn to an authoritarian fascist or socialist system that would fix price, production and employment levels by fiat, and permit no argument.

Unhappily, the systems of Adam Smith, and even of Keynes, give little guidance as to how to cope with the malaise. Much of the explosive 1973-74 inflation, of course, resulted from what economists call "random shocks" to the system: oil price gouging by the OPEC cartel and food shortages caused largely by unusual weather. But the underlying inflationary momentum seems to be supplied by modern capitalist democracy.

The root problem is that everybody wants more. Even in prosperous times, the demands of labor for ever higher wages, of generals and admirals for increasingly sophisticated weapons, and the less affluent for expanded government social services always add up to more than the economy can produce at stable prices. Rather than say no to the demands of any vocal constituency, democratic governments too often find it easier to run huge budget deficits, thus fueling inflation.

Sooner or later, however, governments must act to curb inflation—and risk recession—by curtailing spending and restricting the growth of money-supply. Many economists indeed blame all post-World War II recessions on overly zealous anti-inflationary policy. But that criticism obscures a vital point. In a society that operates by private decision-making rather than central command, governments must make difficult judgments on the exact mix of tax, spending and money-supply policies needed to nudge businessmen and consumers into the "right" decisions on how much to buy, build and borrow. Inevitably, the fallible humans who run treasury ministries and central banks will make some wrong judgments—and the economy will react.

Another reason why recession is al-

ways a threat in a capitalist economy is that business managers, too, are free to misjudge the market, make unwise investments and speculate foolishly. As socialists correctly note, recession is capitalism's way of flushing unwanted products and mismanaged companies out of the system. If automakers, for example, bring out cars that motorists dislike at prices they cannot afford, auto production, sales and employment inevitably will fall.

There is some evidence that recession is still capable of slowing inflation by making it hard for business to sell goods at high prices. In the U.S., while unemployment rose to 34-year highs, the rate of consumer price inflation dropped from 12.2% last December to 5% from March through May. It now seems to take a much deeper recession than in past decades to break a price spiral. There are three reasons for this:

1) Powerful unions keep pushing up wages, and therefore prices, even when unemployment is high.

2) Humanitarian programs, such as unemployment compensation, Social Security and food stamps, prop up purchasing power. This maintains the ability of consumers to buy—and the ability of businessmen to resist price cutting—even while joblessness is rising.

3) Service trades account for an increasing share of sales and jobs—54% of all employment in the U.S.—and it is tough for service businesses to offset wage increases by improving productivity. So they keep on raising prices.

Worst of all, inflation increasingly seems capable of directly causing recession. Inflation does so by either pricing many goods out of the reach of would-be buyers, or by making consumers figure that they dare not buy cars or refrigerators because they will need every penny to pay the next round of increases in food, clothing, rent and utility bills.

How can these problems be alleviated? In dealing with inflation-recession, national policy cannot "fine tune" the economy, but must continue to seek limited yet important aims: adjusting tax, spending and money-supply policies to stimulate or restrain the economy. The recent record is scarcely reassuring. But there is ground for hope that economic managers can learn enough from past mistakes to wield their fiscal and monetary weapons more effectively.

Economists generally agree that governments should shun utopianism and aim at reducing inflation and unemployment to bearable rates—to perhaps 5% for both in America. The U.S. should not repeat a mistake of some past years, when the Government continued to stimulate the economy even after the jobless rate had fallen to 4%, in the hope of getting it still lower; that policy fueled inflation. Completely "full" employment is impossible because some people lack skills that can be marketed, and still others take time off while shifting between jobs.

Another prime requisite is that governments should be prepared to change



CARTOONIST'S VIEW OF TRUSTBUSTING, 1889

some of it has been downright harmful. The operations of federal transportation-regulation agencies, in particular, have often propped up prices and restricted competition. But this complex of laws has on the whole made capitalism both more humane and more effective. As Economist John Kenneth Galbraith once commented dryly: "An angry god may have endowed capitalism with inherent contradictions. But at least as an afterthought he was kind enough to make social reform surprisingly consistent with improved operation of the system."

Ten years ago—at least in the U.S., Canada, Western Europe and Japan—this modern capitalism seemed to be on the verge of producing the permanently affluent society. Keynesian policies had kept recessions brief, mild and infrequent; the end of World War II opened the longest period of sustained growth ever. Amer-



The best GT car in its class.

Road & Track names Datsun 280-Z

Best sports-GT car, \$5,500 to \$8,000

The new fuel injected Datsun 280-Z makes its bow in America with a rare honor indeed. It's been named one of the 10 best cars for a changing world in the June issue of Road & Track magazine. At \$6,284* the Z took top spot in the "Sports-GT cars, \$5,500 to \$8,000" category.

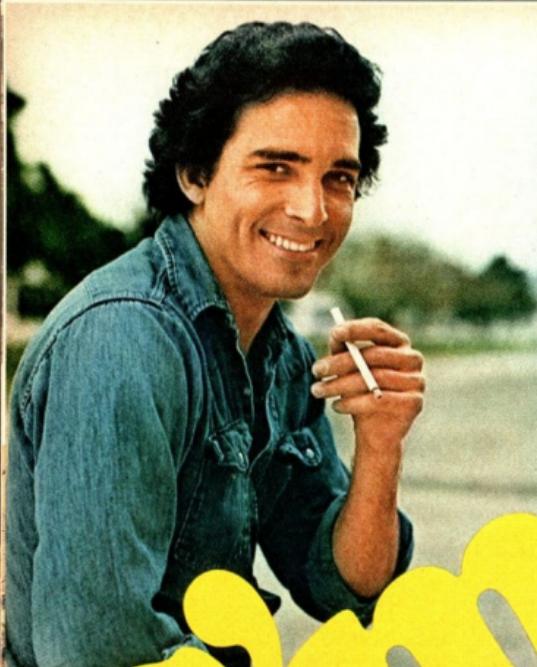
The new 280-Z has computerized fuel injection for instant acceleration, great mileage and better emission control. The 280 carries on the Z-Car heritage of superior technology with its new 280cc overhead cam engine, fully independent suspension and transistorized ignition, as well as a long inventory of standard comfort and performance features. Test-drive the new 280-Z and 280-Z 2+2.

*Manufacturer's suggested retail price for 2+2 two-passenger with standard 4-speed transmission, excluding tax, license, transportation and dealer prep if any.



Datsun 280Z

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cm'on

Come for
the filter.



You'll stay for
the taste.



19 mg. "tar," 1.2 mg. nicotine av. per cigarette, FTC Report Apr.'75.

Warning: The Surgeon General Has Determined
That Cigarette Smoking Is Dangerous to Your Health.

A lot of good taste that comes easy
through the Micronite filter.

fiscal-monetary policy in the early stages of slump or boom. A mildly restrictive policy in the late 1960s would have done more to restrain price increases than the recurring rounds of super-tight money that followed after inflation had gathered powerful momentum. Similarly, a small tax cut and moderate expansion of the money supply last summer would have combatted unemployment more effectively than the heavy stimulus that was applied this spring.

This necessity to change course early poses a stern test for democratic leadership. At some point in the current recovery, it may be necessary for the Government to switch to a restrictive policy even when unemployment remains uncomfortably high; inflation is decelerating and the need for any restraint at all is not readily apparent to the voters.

If democratic leaders choose the correct policies and explain them forthrightly—a distressingly big if—the prospects are not all bleak. Enough remains of Adam Smith's self-adjusting market to give the policymakers some assistance. If, as seems likely, the recent recession has broken the force of inflation, the slowing of price rises will probably encourage consumers later this year to begin buying many more cars, appliances and other goods. Then businessmen who have been zealously cutting inventories might find themselves with too little stock to maintain sales and

would be forced to step up production.

For the longer term, however, fiscal and monetary policies must be supplemented by other measures to contain inflation and ease recession. The two most hotly disputed issues are whether the U.S. should adopt some form of wage and price restraints and whether it should move to some form of economic planning. Economists and other experts are sharply divided on these huge questions, but there is widespread agreement that Washington should adopt at least two other strategies:

- 1) Repeal a complex of laws, regulations and practices that prop up prices for the benefit of special interests. Economists at President Ford's September summit meeting spotlighted 32 such rigidities. Among them: the Davis-Bacon Act, which compels contractors to pay inflationary wages on federally assisted construction projects; the Jones Act, which forbids shippers to use low-cost foreign vessels to move goods from one U.S. port to another; misnamed fair-trade laws that permit manufacturers to prevent retailers from cutting prices on brand-name products; agricultural "marketing orders" that restrict the supply of oranges, tomatoes and other products; and freight regulations that force many trucks to return empty from long-distance trips, although they could carry cargo on the backhauls.
- 2) Enhance the skills and mobility of labor. This combats both inflation and un-

employment. The U.S. should revive and expand the manpower-training programs started under the Johnson Administration but curtailed by President Nixon. Though the programs were sloppily run, some of them—notably those under which private businessmen, with federal financing, hired and trained the so-called hard-core unemployed—showed great promise of teaching skills to otherwise "unemployable" people. The Labor Department also should set up the long-discussed computerized "job bank" that would list employment opportunities throughout the nation, and subsidize needy workers who want to move to take distant jobs. In Sweden, the government offers more than 300 courses to retrain the jobless, pays the expenses of an unemployed Swede who travels to look for work, and underwrites his moving bills once he finds a job. The cost is high: more than 5% of the Swedish budget. But the payoff is impressive: Swedish unemployment has consistently been well below that of the U.S.

If another Smith—or Keynes—came along today, the tremendous intellectual challenge facing him would be to devise wage and price restraints that would be effective but not coercive. Rigid, comprehensive controls have almost never been effective for very long. They breed shortages by discouraging businessmen from making investments to expand the output of products that they are not sure can

The Many Coats of Capitalism

Etymologically, "capitalism" implies no more than a system that stresses the accumulation and use of capital—and all forms of economic organization do that. Some free-enterprisers even shun the word because it was popularized by Karl Marx and other socialist thinkers as a name for a system that they were attacking, and it retains a pejorative flavor. Adam Smith never mentioned capitalism in any of his works; he preferred the term natural order.

Still, the essentials of capitalism are clear. The touchstone is private ownership of most industry. A necessary corollary is that most production and services are motivated by the drive for profit. That in turn implies a relatively free market—one in which entrepreneurs can enter any kind of business they wish, and private businessmen make most of their own decisions.

Capitalism is associated with a high degree of political and social freedom, but that is not a requisite; some economists argue that Nazi Germany was capitalist because most of its industry was privately owned. Yugoslavia, on the other hand, is still outside the capitalist camp because most of its industries are state-owned, even though they compete in a market economy.

Other countries vary widely, from relatively straightforward capitalism, as in Singapore, Canada and Argentina, through mixed economies where the government owns only key industries (oil in Indonesia), to nearly total government control of business, as in Cuba, Algeria and Hungary.

In the industrial world, capitalist countries differ strikingly:

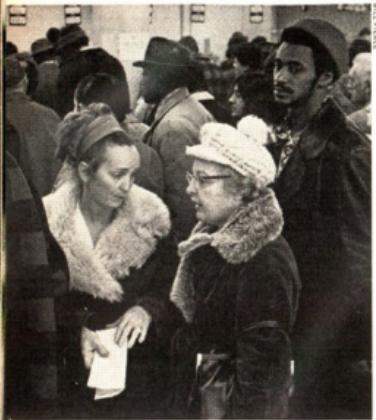
AMERICAN-GERMAN. This is the most purely capitalist system. Production is managed for private profit by businessmen, who can operate as they please so long as they obey the

many regulatory laws. Government with rare exceptions directly runs only the most essential services (defense, education, post office) and tries to prod the economy in a desired direction by tax, spending and money-supply policies.

ANGLO-FRENCH-ITALIAN. While most production is in private hands, the government owns or operates key companies or industries: in Britain, coal and most steel; in France, the leading auto company and many oil refineries. Some governments, like France's, also draw up national economic plans setting broad production targets for key industrial sectors and attempting to channel investment into the most desirable areas. This is done by persuasion and tax and lending policy rather than by direct orders.

SCANDINAVIAN. This system could be called either welfare capitalism or free enterprise socialism. For example, about 90% of Swedish production is carried on by private corporations, a proportion as high as in the U.S. But profits and incomes are taxed at rates of up to 80% to support the capitalist world's widest array of social services. Wages are set by a "national bargain" reached through negotiations between employer associations and unions and ratified by the government.

JAPANESE. The economy is a mixture of capitalism and feudalism. Industry is almost entirely in private hands but is heavily cartelized and subject to government "administrative guidance." On the other hand, the zaibatsu (big capitalists) so strongly influence these decisions and get so many favors—such as light taxes and easy credit from state-connected banks—that it is hard to tell where industry ends and government begins.



UNEMPLOYMENT OFFICE IN NEW JERSEY

The high cost of tempering prices.

be sold at profitable prices. Controls also freeze into the wage structure inequities that workers find intolerable.

A number of economists argue that there is a way short of comprehensive controls that would oblige corporate chiefs and union leaders to consider the public interest when formulating their private policies. According to this argument, the Government should adopt some form of flexible wage-price surveillance to prevent unions and corporations from using their muscle to force outsize increases. A Government body would monitor wages and prices and demand justification for suspiciously large raises. The trouble is that to be effective this body would have to be authorized to roll back increases that it considered unjustified—and this action would amount to controls and coercion. In sum, a huge question remains unanswered: How can a capitalist economy achieve long-term price stability without risking deep recessions or, much worse, sacrificing some freedoms?

An equally difficult and closely related issue is whether—and how—capitalist economies can improve the functioning of the free market without attacking the vitals of that market. To guide investment and production, capitalism still relies primarily on the response of private businessmen to the signals that the market gives off about the strength of consumer demand and the potential for profit. But the market's ability to anticipate long-range trends is at best imperfect, and it has failed to provide for some critical needs of a complex modern society.

The worst imbalance is between private and public investment. Capitalism has an ancient antipathy to public spending that began with Adam Smith, who classed the King and "all the officers both of justice and war who serve under him" as "unproductive" workers on the ground that they created no new wealth. Gov-

ernment-financed public works rarely if ever turn a profit and they have all too often been neglected while resources have been poured into projects that stood to make more money. Example: the U.S. has built a magnificent highway network to serve the auto, but public transportation generally ranges from poor to nonexistent.

In two overlapping areas, pollution control and energy development, misguidance by the market has hurt capitalist societies. Pollution, of course, is a problem for all industrial countries; Arthur Okun, a member of TIME's Board of Economists, observes pithily that "socialist smoke pollutes as much as capitalist smoke." But free enterprisers proved as incapable as any production-at-all-costs commissar of foreseeing the pollution danger.

Worse, businessmen found profit in highly polluting technologies like the substitution of synthetic detergents for natural soaps. The cleanup did not begin until the befouling of the environment had become a demonstrable threat to human life. Now the cleansing process is holding back economic growth.

The market also failed to foresee the swift onrush and the grave consequences of the energy crisis. For many years, an abundance of oil kept the price low, and cheap energy helped to create fabulous economic growth. But the U.S. in particular squandered enormous quantities of energy on oversize cars, sealed buildings and flimsily insulated homes. Some oilmen warned that a supply squeeze was coming and that massive efforts should be made to conserve oil and invest in new sources. The warnings were not taken seriously. When the energy crisis struck, the free market was thrown into near panic. Of course, nobody could have predicted that the crisis would hit so soon, simply because it was hard indeed to foresee the explosive political events that triggered it: the 1973 Middle East war and the subsequent rallying of the Arabs behind the oil boycott. But the fact remains that the market's price signals gave capitalist industry the wrong guidance on energy use, conservation and development. One reason is that while the market is an excellent short-term indicator of supply and demand, it does not purport to do well at forecasting the longer term.

The Debate Over Planning

In order to cope with the inadequacies of the market, a rising number of experts urge capitalist governments to adopt some form of economic planning. But a grave problem is that command planning, in which government bureaucrats decide how much and just what goods are to be produced, is the antithesis of capitalism. Western European nations are even disillusioned with their persuasion-and-incentive plans of the 1960s, which also generally failed to anticipate the economic crises of the 1970s. Yet more and more

people in the U.S. seem attracted to the idea of setting up a federal body that would attempt to give early warnings of shortages and bottlenecks that both restrict production and aggravate inflation.

A group of mostly liberal thinkers, including Economist Wassily Leontief, Investment Banker Robert V. Roosa and United Auto Workers' President Leonard Woodcock, have called for the establishment of a U.S. office of national economic planning. They have in mind not a stiff bureaucracy that would sap freedoms by handing down directives, but a forward-looking group of several hundred scientists and technicians (and a few economists) who would study the future of the U.S. economy much as a savvy company studies its market. Relying on such factors as population trends and the likely availability of resources, they would try to estimate the economy's future needs for developing domestic supplies, expanding industries and raising capital. They would also attempt to project how many cars, houses and tons of wheat, steel, paper and other products the economy would demand. Then they would propose guidelines—tax and investment incentives as well as broader monetary and fiscal policies—for meeting those goals. Whenever the President or Congress floated major legislation, they would estimate its effects on prices and jobs.

Ford Motor Co. Chairman Henry Ford II has called for creation of a highly-visible and vocal federal planning body—underscoring Nobel Laureate Leonid's prediction that the U.S. will adopt planning "not because some wild radicals demand it but because businessmen will demand it to keep the system from sputtering to a halt." Ford's idea is that a planning organization should examine "cost-effectiveness and set timetables. It should take a look at population growth; usages of raw materials and their availability; what the price situation is going to be over a long period of time." Says Ford: "We're going to need all kinds of plans."

Nobody is smart enough to predict correctly all, or even most of the time, but it could be that a group of expert forecasters would give the capitalist economy valuable early warnings and prevent some unpleasant surprises. The deeper question is whether policy should be guided by the predictions of a national planning body or by the forecasts of tens of thousands of entrepreneurs and corporate managers in a free market. The planners, their supporters say, would consult with businessmen. Moreover they would merely aim to identify the industries that should expand fast in order to avert shortages, and determine what incentives could help to produce the necessary investment. But that, too, raises a problem: If their plans were followed, tax credits and other incentives would be given to some industries—at the expense of others.

Yet there is no escaping the fact that leaders of capitalist economies must use every available resource to figure out the amounts of vital commodities that their industries will need to sustain strong

growth. They will have to calculate where the supplies are likely to come from, what exploration, research and development investments will be required to produce them, what conservation steps and recycling programs may be necessary to stretch supplies, and what materials might be used as substitutes in pinch. The tough question: Just *who* is to decide?

The answer is that private business men must decide but Government can do more to help them. It should do so not by setting up rigid five-year plans, but by employing the best of its flexible methods to give early warnings of what raw materials and investments will be most needed.

The Inequality of Wealth

Vast disparities in income and wealth are the deepest philosophical and moral problems of capitalism. Adam Smith did acknowledge that "wherever there is great property, there is great inequality." And in his day, "for one very rich man, there must be at least 500 poor." He proposed to ameliorate that situation by having the economy produce enough wealth to make the poor less poor. Capitalism aims for—and accomplishes—infinitely more than that today. Great numbers of once-poor people rise to the middle class, or higher.

From 1960 through 1973, economic growth dramatically reduced the number of Americans living below the Government's officially defined poverty line, from 40 million out of 179 million to fewer than 23 million out of 211 million. But last year, according to Government estimates, 800,000 to 1.5 million slipped back into poverty because of the combination of recession and inflation. Though the slippage is doubtless temporary, it has led to great disillusionment among those left behind. Political Scientist Charles Lindblom of Yale asserts that capitalism in the past has depended on women, blacks and other groups to accept unthinkingly a disadvantaged role and a meager share of the system's rewards. Now they are pressing for full equality and, says Lindblom, "it's really touch and go" whether the system can satisfy them.

Expectations have been rising rapidly, largely because of two developments that Adam Smith did not foresee: universal suffrage and almost universal literacy in democratic societies. Almost everybody is better off than his father or grandfather, but that is not enough for literate people; they perceive that others are doing even better, and so they want more. And they often use their votes to support candidates who promise to get it for them. Thus one of the toughest long-range questions for democratic societies is just how much inequality will be—and can be tolerated.

Philosophers of capitalism defend inequality on two grounds. Economist Friedrich A. Hayek, a Nobel Laureate, ar-



FAMILY AT PLAY IN HOME SWIMMING POOL IN SCOTTSDALE, ARIZ.
Luxuries for the many, and some worries about disparities in income.

gues persuasively that the only alternative to the market's unequal apportionment of rewards is distribution of income on the basis of each person's moral worth—and who could possibly judge that fairly? Pragmatically, many theorists contend that inequality is necessary to reward with high income the initiative that produces economic growth. They add that growth makes the poor if not nearly equal to the rich, at least better off than they would be in a stagnant economy that distributed wealth equally. According to Economist Otto Eckstein's summary: "Some injustice is inescapable if the system is to perform."

Among many educated young people in capitalist countries, Maoist China is popular because its communists have created the world's closest approach to true income equality, though at the price of numbing regimentation. The only way to reach total economic equality is at the expense of freedom (see TIME ESSAY), but the U.S. has more inequality than seems necessary for a dynamic economy. Any attempt even to reduce significantly the gap between income classes raises the unanswerable question of just how much inequality is necessary to provide incentive. A significant effort to redistribute income would provoke fierce resistance from politically powerful groups that rank statistically in the upper classes but do not consider themselves at all rich (in the U.S., a \$30,000 pretax annual income puts a family into the top 5%, a \$15,000 income in the top 21%).

Much of the demand for greater equality is really a protest against the injustices that a capitalist society could perfectly well remedy—while remaining capitalist. The greatest need is to improve the lot of the poor, and for that purpose nothing can replace a resumption of non-inflationary growth. But special help,

more than they get now, will be needed by the underclass of citizens who cannot find a secure place in the market economy: reservation Indians and welfare mothers, among others. For them, society should provide some form of guaranteed income, an idea endorsed in the past by such conservatives as Richard Nixon and Milton Friedman. Conservatives note that it is better to give special help to problem groups than to pump up the whole economy and propel inflation.

Relations with Poor Countries

Largely because the colonial powers were capitalist, many peoples of the Third World harbor bitter resentments against capitalism and have chosen socialism for their economies. In quite a few cases, this has retarded their development. For example, Daniel P. Moynihan, former U.S. Ambassador to India, points out that in 1947, the year of its independence, socialist-leaning India produced 1.2 million tons of steel, or slightly more than Japan. In 1973, capitalist Japan poured 119 million tons of steel—or more than 17 times India's production. (And India has considerable iron ore; Japan imports it.)

With increasing emotion, developing nations complain that capitalist countries have subjected them to neocolonialism that keeps them poor. The West, they charge, buys their raw materials cheaply, sells them manufactured goods at prices that are pushed steadily higher by inflation, and discriminates against their exports of manufactured goods.

The developing countries' accusations are exaggerated. Prices of many raw materials have risen at least as much as—and in many cases more than—those of in-

ECONOMY & BUSINESS

dustrial exports. A more valid charge against the capitalist world than systematic exploitation is that it has failed to develop any consistent post-colonial economic strategy at all for dealing with the poor countries. The hostility of many less developed countries is potentially dangerous. Producers of ten commodities—copper, bauxite, iron ore, rubber, coffee, cocoa, tea, pepper, bananas and sugar—have talked of organizing cartels to jack up prices by withholding supplies.

Raw-materials planning can help the industrialized world defuse this danger. The industrial nations are already discussing plans to join in stockpiling enough oil to carry them through any renewed Arab embargo. Yale Economist Richard Cooper proposes broadening the idea to include the steady and coordinated accumulation by many nations of important materials—perhaps starting with natural rubber, copper and other metals.

For the industrial world, that policy

Dominance of the Corporation

Big corporations account for ever increasing shares of capitalist enterprise, and a good many economists applaud their productive effectiveness, though a variety of other thinkers have judged them to be essentially anticapitalist institutions. Adam Smith thought that the relatively few "joint stock companies" of his day lacked the vigorous entrepreneurial spirit. Marx believed that the corporation was a step away from capitalist individualism and toward the social management of production. The late Joseph Schumpeter, a giant among economists, feared that corporations would rob capitalism of vitality by splitting capitalists into owners who did not manage and managers who did not own; neither group, he thought, would

THE NEW YORK TIMES

cars long after consumers had signaled a change in tastes by buying swarms of Volkswagens and Toyotas.

Yet this overall analysis is clearly hyperbolic. Corporate power is checked by what Galbraith himself in 1952 described as the "countervailing power" of unions, Government and rival big corporations. It is also checked by the trustbusters and, more important, the customers. Even in industries dominated by a few big companies (autos, oil, steel, computers, etc.), those firms compete fiercely for market shares. Advertising has failed to sell products as varied as the Edsel and maxi-skirts. Strong consumer resistance can occasionally force price reductions, as the recent auto rebates proved anew. "When even the auto companies are cutting prices," cracks Okun, "then you know that capitalism lives."

Today's capitalist economies undoubtedly benefit from powerful corporations. The sheer size of modern economies and the vast number of skills that must be marshaled to design and produce such products as color-TV sets and computers—to say nothing of space rockets—make any yearning for Adam Smith's world of individual entrepreneurs an exercise in pointless nostalgia.

A special set of problems is, however, presented by the growth of multinational corporations, which now account for most of the global exchange of goods, services and investments. The multinational, as Moynihan says, "is arguably the most creative international institution of the 20th century." Multinationals have brought to many countries jobs, modern goods, common-stock ownership and the most advanced technologies and management skills. But multinationals also have a unique freedom to escape from any country's regulation.

They can—and do—disrupt currency markets by shifting huge sums from, say, dollars into Deutsche Marks. They can concentrate production in countries where tax and pollution laws are most lax, and foil national economic objectives by shifting their operations around from nation to nation. For example, multinationals poured considerable money into Germany, and hurt that country's efforts to battle inflation by holding down the money supply. Many executives of multinational corporations would welcome an international code of conduct. Capitalist countries would help their economies operate more smoothly if they agreed to treaties harmonizing the tax, pollution and accounting standards that multinational corporations must meet.

In attacking its many difficulties, capitalism faces a final danger: most of the potential solutions involve an increased role for government regulation and control of income. There is a real question of how much further that can go without destroying the dynamism of the market system that makes capitalism so productive. But government can also put the market system to work solving problems.

Some public functions could be contracted out to private companies. For ex-



WAVING FIELDS OF RIPENING GRAIN IN THE STATE OF WASHINGTON

Producing enough food to feed a nation—and much of the world.

would temper inflation by providing some insurance against shortages. When scarcities developed, commodities could be released from the stockpiles to hold down prices and ward off threats of boycott. (There would be little incentive for exporters to hold back supplies in an attempt to raise prices if they knew that their customers already had plenty.)

For developing countries, stockpiling promises to stabilize income from exports. In times of glut, industrial countries would take advantage of reduced prices to replenish their stocks. Poor nations might get less for each ton of copper or rubber, but might sell more and keep total export earnings steady.

The United Nations Conference on Trade and Development is holding a series of conferences this year in Geneva to discuss the stockpiling idea. UNCTAD officials happily anticipate an issue on which, for once, underdeveloped sellers and industrialized buyers might agree.

care enough about the system to fight to save it from socialist takeover. That has not happened yet, but the possibility has worried many capitalist thinkers, among them Economist Milton Friedman and Sociologist Daniel Bell.

John Kenneth Galbraith implies that corporations have already killed Adam Smith's self-regulating market. In his view, the larger a corporation grows the more it can escape from the workings of the market to become a law unto itself, thus paralyzing Adam Smith's "invisible hand." According to Galbraith, large companies can set prices more or less independently of demand, produce what they rather than consumers want, and in effect ram the products down consumers' throats by the power of advertising. If corporations cannot defy the market, they can sometimes resist it for a long time when it refuses to conform to their plans. A classic example is Detroit's stubborn insistence on building big, costly, gas-thirsty

ample, profit-making companies in the U.S. pick up garbage at a lower cost than city sanitation departments do, and United Parcel Service often delivers packages faster and cheaper than the U.S. Postal Service. Economist Walter Heller advocates a market approach to fighting pollution. His idea: levy stiff taxes on the discharge of effluents; the market would reward with high profits the companies that did the most to clean up the environment, and penalize polluters with skimpy earnings or actual losses.

The Virtues of Profits

One of the capitalist market system's enduring strengths is precisely its reliance on the profit motive which, like it or not, is a powerful human drive. To many idealists the primacy of the profit motive has long seemed to be a sanctification of selfishness that produces a brutalizing, beggar-thy-neighbor society. Victorian Moralist John Ruskin denounced "the deliberate blasphemy of Adam Smith: Thou shalt hate the Lord thy God, damn His laws, and covet thy neighbour's goods."

But capitalism has the overwhelming power defense of simple realism. There is just enough of a "Scotchman" in most people to make them work harder for their own advancement than for the good of their fellows—a fact that regularly embarrasses socialist regimes. The Soviet Union permits collective farmers to cultivate small private plots in their spare time and sell the produce for their own profit. Those plots account for a mere 4% of the land under cultivation in the U.S.S.R.—yet, by value, they produce a fourth of the country's food.

Profits and other incentives are indispensable to any economic progress. A product or service that is sold for exactly the cost of producing it yields no margin to raise wages, buy new machinery or pursue research leading to new products. Only profits can finance that—whether in a capitalist or a socialist society.

The argument between capitalism and authoritarian economic systems comes down to two questions: Which system can make the most efficient use of manpower, materials and money to create the greatest opportunities for free choice, personal development and material well-being for the greatest number of people? And which system is more just and satisfying in human terms?

An authoritarian economy appeals to many human instincts. It offers stability and security at the expense of freedom and a greater degree of economic (though not political) equality than capitalism. It can provide full employment by creating a surfeit of make-work, low-productivity (and thus low-paying) jobs. It keeps prices stable by fixing them, almost invariably at high levels in terms of real income. Yet even the meanness of living standards in

such a system may have a certain attraction for millions of people outside those countries who are repelled or surprised by commercial values. Distrust of money lies deep in the West's history, from St. Francis of Assisi and the Anabaptists to the modern romantics. Authoritarian economies are as materialistic as capitalism, if not more so, but they are often perceived differently. And the ability of the command economy to centralize power has an irresistible appeal for otherwise shaky leaders of developing nations. As Moylan observes, many of the developing nations have an "interest in depreciating the economic achievements of capitalism, since none of their own managed economies are doing well."

On the historical record, capitalism clearly is more enriching—in every major way. Capitalism, says Eckstein, "is the only engine that has been developed so far that encourages people to be highly innovative, to develop new products and processes." Profit-seeking capitalists have developed all the vital machines of "post-industrial" society. In contrast, centrally managed economies have rarely done well at developing civilian high-technology industry—largely because inventors lack incentive. In socialist economies the same lack has led to appalling shoddiness in many of the services that provide life's amenities.

Capitalists also have produced a far greater quantity and variety of consumer goods and services than socialist central planners. The reason: for all its weaknesses, the market functions as a superbly adaptive super-computer that continuously monitors consumer tastes. Says Walter Heller: "The private market makes trillions of decisions without any central regulation. It is a fantastic cybernetic device that processes huge amounts of information in the form of the consumer voting with his dollars, the retailer telegraphing back to the wholesaler, the wholesaler to the producer."

Communist nations have paid the market the ultimate compliment by trying to introduce elements of market pricing into their own economies, so far with meager success. The trademarks of Communist economies remain indelible: low productivity, shortages of goods, lengthy queues in stores, years-long waits for apartments. In order to spur initiative, most Communist countries also have huge and growing differences in real income (and perquisites) between commissar and collective farmer. Nikita Khrushchev once replied to a charge that the Soviet Union was going capitalist: "Call it what you will, incentives are the only way to make people work harder."

More important, capitalism's superior productivity is not solely a matter of electric toothbrushes and throwaway soft-drink bottles: the system also does better at filling basic human needs like food. Farmers in the capitalist U.S., Canada and Australia grow enough not only to feed their own peoples but also to export huge surpluses. In contrast, the Soviet Union—although 30% of its workers la-

bor on its vast farmlands—has to import food. So does India, which permits private farming but insists out of socialist principle that the produce be sold at unrealistically low prices.

The freedom of capitalist society at its best must be prized above all. True, some dictatorships are capitalist because most of the economy is privately owned. Still, the major capitalist nations all have popularly elected governments that guard the right of free speech and assembly. Capitalism demands, by definition, that the individual be free within broad limits to spend and invest his money any way he pleases, to own private property and to enter any business or profession that attracts him. The state that grants those significant freedoms demonstrates a reluctance to interfere in the citizen's daily life.

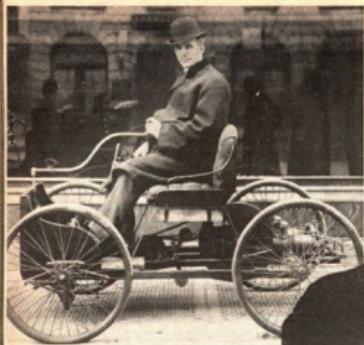
In sharp contrast, the managed economies exist mostly in one-party states or



LINING UP TO BUY FOOD IN POLAND
Shortages amid the planning.

under completely totalitarian regimes. Any government that tries to dictate almost every decision on production, prices and wages assumes an arbitrary power that would be impossible to reconcile with political freedom. In most managed economies, for example, a strike by workers is a crime against the state; it can hardly be prohibited without suppressing the right to advocate such a strike.

In sum, there is no alternative to capitalism that credibly promises both wealth and liberty. Despite its transitory woes and weaknesses, capitalism in the foreseeable future will not only survive but also stands to prosper and spread. Perhaps the most balanced judgment of Adam Smith's wondrous system is Winston Churchill's famous conclusion about democracy: It is the worst system—except for all those other systems that have been tried and failed.



WIDE WORLD

HENRY FORD, SCOTT JOPLIN & TEDDY ROOSEVELT, LEADING MEN OF THE RAGTIME ERA



BROWN BROTHERS

The Music of Time

RAGTIME

by E.L. DOCTOROW

271 pages. Random House. \$8.95.

"Divided between power and the dream" is the way F. Scott Fitzgerald saw it in his luminous projection of lost innocence, *The Great Gatsby*. In *Ragtime*, E.L. Doctorow plays a dazzling variation on that theme in a slightly earlier era: the final days of America's privileged childhood.

His novel is carefully framed between 1902 and 1917, surrounding the robust, unambiguous patriotism of Teddy Roosevelt and the complex, brooding morality of Woodrow Wilson. It was Winslow Homer time, when, as Doctorow writes, "a certain light was still available along the Eastern seaboard." Eccentrics still putter in their garages and produce inventions without the aid of research-and-development bureaucracies. Henry Ford's new assembly line and Albert Einstein's peculiar idea that the universe is curved crack the dawn of the modern age. Before long, Doctorow notes, painters in Paris will be putting two eyes on one side of the head.

Like ragtime, the jazz form made famous by Scott Joplin, Doctorow's book is a native American fugue, rhythmic, melodic and stately. "It is never right to play ragtime fast," said Joplin, and the same can be said for reading it.

Yet the book never stands still for a moment. Story lines constantly interweave; historical figures become part of fictional events and fictional characters participate in real history. In ways both fantastic and poetically convincing, the members of a suburban upper-middle-class family combine and change in the undertow of events. As if Clarence Day had written *Future Shock* into *Life with Father*, Doctorow's images and improvisations foreshadow the 20th century's coming preoccupation with scandal, psychoanalysis, so-

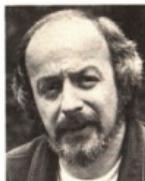
lipsim, race, technological power and megalomania.

Harry Thaw empties his pistol into the face of Architect Stanford White, the lover of Thaw's showgirl wife Evelyn Nesbit. White goes to his grave and Thaw to an insane asylum. But Doctorow has his own plans for Evelyn. Down from her red velvet swing, she drifts to the immigrant slums of New York's Lower East Side, where her social consciousness is raised by anarchist Emma Goldman. Sigmund Freud confronts the pleasure principle at Coney Island and cannot get back to Vienna fast enough.

A black musician turns violent revolutionary after his new Model T is vandalized by jealous whites. Harry Houdini, the immortal escape artist, cannot slip from his mother's apron strings. He is also a man incapable of political thought because, in Doctorow's moving phrase, "he could not reason from his own hurt feelings."

Elsewhere, J.P. Morgan and Henry Ford meet secretly to discuss their beliefs in reincarnation. Morgan has spent millions harvesting civilization's mystic wisdom. Ford, in his ready-made suit and L.L. Bean shoes, notes dryly that his occult education came from a 25¢ booklet ordered from the Franklin Novelty Co. of Philadelphia. It is the same organization that will buy moving-picture flip-books from a penniless Jewish immigrant. The peddler will end in Hollywood as Baron Ashkenazy, producer of those Rosetta stones of American nostalgia, the *Our Gang* comedies.

Literal descriptions and interpretations make many novels sound better than they are. With *Ragtime*, just the opposite is true. Its lyric tone, fluid structure and vigorous rhythms give it a musical quality that explanation mutes. In Doctorow's hands, the nation's secular fall from grace is no catalogue of sin,



RICHARD A. DAVIS

DOCTOROW

no mere tour de force; the novelist has managed to seize the strands of actuality and transform them into a fabulous tale. ■ R.Z. Sheppard

Not long after he got out of the Army in 1954, E.L. (Edgar Lawrence) Doctorow sat down on a wooden crate in front of his typewriter and told his wife Helen, "This is the way we are going to survive." He had \$135 to his name. Forty-eight hours later, he had \$50 left and a lot of blank paper.

For the next 20 years, Doctorow fought the blank page—and won four times. Between novels he was a reservations clerk for American Airlines, a reader for CBS, Ian Fleming's editor at New American Library, Norman Mailer's editor at Dial Press, and most recently a teacher at Sarah Lawrence College.

At 44, Doctorow is about to realize his original survival plan. *Ragtime* is a Book-of-the-Month Club selection with a first printing of 60,000 copies. Director Robert Altman (*Nashville*) will film the book next year. To date, Doctorow is best known as the author of *The Book of Daniel*, an extraordinary *succès d'estime* that narrowly missed the National Book Award for 1971. Despite parallels to the Rosenberg atom-spy case, the novel has an anguished life all its own. Many of its scenes were set in the Bronx neighborhood where Doctorow grew up. Part of *Ragtime* also has resonances from the Doctorow past, principally from the New York City suburb of New Rochelle, where the author now lives with his wife and three children.

Doctorow's mother was a pianist and his father owned a record and musical-instrument store in Manhattan's Hippodrome Theater building—components of *Ragtime's* vanished New York. After graduating from the select Bronx

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BOOKS

High School of Science, he studied literature at Kenyon College in Ohio. It was the kind of education that sharpened his critical faculties at the expense of his creative talents. "I had to purge myself of the sense of the writer as an intellect," he recalls. The purge has worked. *Ragtime* is free of the self-consciousness of form that mars most contemporary novels. "It was actually fun to write," says Doctorow, who wryly quotes Scott Joplin: "The scurrilous invention of ragtime is here to stay."

Legpull

THE GREAT VICTORIAN COLLECTION

by BRIAN MOORE

213 pages. Farrar, Straus & Giroux.
\$7.95.

The Victorians, as Chesterton observed, were "lame giants; the strongest of them walked on one leg a little shorter than the other." It was an epoch of elegance and kitsch, dignity and pornography, liberal cant and imperial overreach. It is this instability that enlivens—and afflicts—Brian Moore's novel, *The Great Victorian Collection*.

The collection literally dreamed up by a young scholar vacationing in California. One night Anthony Maloney falls asleep in an obscure motel, imagining a priceless array of artifacts. In the morning, a flea market of Victoriana awaits him in a parking lot below. Each *objet d'art* has been produced by his richly informed subconscious. Naturally there are the classic ottomans and claw-foot sofas, the glut of silver tea sets and bridal breakfast services. But there are also treasures from the velvet underground: choice items of bondage, plush Sadean literature, punishment costumes featuring removable posterior panels. It is all only a dream, of course. But in a way, Moore reminds us, so were the Victorians, and their residue remains as solid as mahogany.

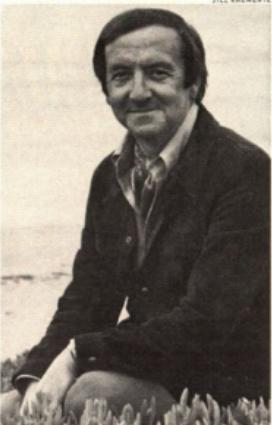
As newsmen and occultists descend upon the miracle worker, Maloney tests his vision. Is it fact or figment? He attempts, mentally, to remove a single item. Suddenly its underside is marked MADE IN JAPAN. The scholar becomes a prisoner of his obsession, forced to preserve the dream by repeating it every night. But reality is inexorable. Restaurants and boutiques spring up around collection and collector: the Florence Nightingale Tearoom, the Oscar Wilde Way Out. Spectators come to gawk at the thinker, not the thought; finally even the erotic kinks are removed by relentless commercial vulgarity.

On its witty veneer, the *Victorian Collection* may be seen as a fable of art at a time when people prefer criticism to novels and autographs to painting. But there is something darker at work here: a claustrophobic sense of a century closing in on possessions, values, souls. It is this aspect that Moore slights. He introduces 19th century complica-

tions: an involved, but strangely chaste affair, a faceless enemy, a gaggle of venal sycophants. Then he seems to lose patience with these promising elements, and before 200 pages are out, Maloney hurtles to an abrupt martyrdom. The blueprint remains; the major work is never constructed.

Upon reading *The Great Victorian Collection*, Graham Greene praised the author as "my favorite living novelist, [who] treats the novel as a tamer treats a wild beast." The encomium is understandable but slightly out of synch. Like Greene, Moore writes both serious

JILL CLEMENTE



NOVELIST BRIAN MOORE
Velvet underground.

works of art and prinking entertainments. *The Lonely Passion of Judith Hearne* and *Catholics* placed Moore in the front rank of contemporary writers. Whatever its intentions, the *Collection* ends as a Great Victorian Legpull. And pace Greene, this time it is the short limb that is being pulled. ■ Stefan Kanfer

Crushers and Subgumshoes

In the resort-town whatis shops, where summer visitors unload old paperbacks, a good used thriller is rarely in stock. Biographies, gothics, sex novels abound. But whodunits tend to linger on in vacation cottages until, in a welter of unglued clues, they spill apart. This summer at least four volumes will be read to shreds by season's end:

Michael Crichton's *THE GREAT TRAIN ROBBERY* (Knopf; 266 pages; \$7.95) happily contributes to the current revival of British imperial style. In Sherlock Holmes reprints, *The Great Victorian Collection* and innumerable biographies,

Victoria Regina rides again. For this intricate mystery, her very nation moves to life. The vowel sounds and alley reeks, the technological detail and social lacunae—all are here, ornamenting a tale based on the celebrated 1850 heist.

Edward Pierce, master criminal, aims to snaffle £12,000 in old bullion bound for the British troops in the Crimea. Playing between the parlors of the rich and the Dickensian dens of the criminal underworld, the aristocratic thief outwits crushers (cops), noses (informers) and Establishment nobs to assemble the four keys needed to grab the gold. By subversion, bribery and tricks far dirtier than the king's men ever dreamed of, the ringleader and his scruffy accomplices come within a sniff of the swag, only to meet their greatest obstacle: an obscure law of physics.

Crichton, venturing outside sci-fi (*The Andromeda Strain*, *The Terminal Man*), again proves a skillful researcher and popularizer. Drawing from such scholars as Henry Mayhew, a bygone chronicler of the criminal subculture, he wittily lances the pomposities of 19th century England, when material and moral progress seemed inseparable.

THE BENGALI INHERITANCE (Pantheon; 225 pages; \$6.95) is also based on the gold standard. Hong Kong Senior Inspector Richard Chan is a heroic young pro whose district is the last resting place of a 24-karat fortune. The loot has been missing since 1945, when the Fascist collaborator Subhas Chandra Bose perished in an air crash. Bird-dogging the musty trail of the treasure, Detective Chan takes on a slew of Oriental cut-throats, as well as the colonial snobs who disdainfully regard him as a subgumshoe. Ceylonese Author Owen Cela is obviously no stranger to the refractions of cultural prejudice or to the vagaries of modern criminals. His novel is an acute introduction to the social history of that paradoxically outdated and utterly contemporary city, Hong Kong.

J.B. Priestley '80, whose acerbic novels of British working-class life go back over half a century, sets his *SALT IS LEAVING* (Harper & Row; 247 pages; \$6.95) in contemporary England. The spice of the title is a wordy, forty-fishish general practitioner anxious to pull out of provincial Birkden as soon as he can track down a vanished patient. Noreen Wilkes is certain to die if she goes without treatment for a rare kidney disease. She has been missing for three weeks when Dr. Salt goes to the police convinced that Miss Wilkes has been murdered. Next, the impeccably respectable E. Culworth, bookseller and stationer, also disappears. Salt—his first name is never used—is joined in the countdown by Maggie Culworth, the bookseller's nonsensical daughter. The opulent mystery, involving a suicide, a murder and a succession of set-tos with Birkden's Mr. Big, incidentally reveals Old Social-

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BOOKS

ist Priestley's sardonic disenchantment with the I'm-All-Right-Jack society.

Britain's Dick Francis was once a champion steeplechase rider; since 1964 he has been booting home thrillers about horse racing. In *KNOCKDOWN* (Harper & Row; 217 pages, \$6.95), his 15th, Francis penetrates the roseate façade of Ascot and Newmarket to examine the seamy, ruthless world of horseflesh peddlers. His laconic hero, Jonah Dereham, an ex-jock turned agent, refuses to play along with a ring of crooked horse traders. A loner, like most of Francis' characters, Dereham learns the hard way that "all's fair in love, war and bloodstock"; he is savagely beaten, pitchforked within an inch of his life and has his house set afire. Francis resolves most of Dereham's tribulations—including a boozy brother who lives with him and a spiffy blonde who will not—in a dénouement that provides enough excitement for two Grand Nationals.

As these volumes amply demonstrate, the mystery remains a classic summer solace—and something more. For each book stubbornly disputes Edmund Wilson's famous grumble that thriller reading is "a kind of vice that for sheer silliness and minor harmfulness, rates between crossword puzzles and smoking." At its rare and satisfying best, the well-wrought detective story puts its readers in mind of an older critic, Thomas De Quincey, who once ventured a thesis of "Murder as One of the Fine Arts."

• Michael Demarest

Best Sellers

FICTION

- 1—*The Moneychangers*, Hailey (7 last week)
- 2—*Shardik*, Adams (2)
- 3—*Centennial*, Michener (3)
- 4—*Looking for Mr. Goodbar*, Rosner (5)
- 5—*The Promise of Joy*, Drury (4)
- 6—*The Great Train Robbery*, Crichton (9)
- 7—*The Massacre at Fall Creek, West* (6)
- 8—*The Dreadful Lemon Sky*, MacDonald (7)
- 9—*Spirndrift*, Whitney (8)
- 10—*The Eagle Has Landed*, Higgins

NONFICTION

- 1—*Breach of Faith*, White (1)
- 2—*How the Good Guys Finally Won*, Breslin (4)
- 3—*Total Fitness*, Morehouse & Bredfee (2)
- 4—*Conversations with Kennedy*, Bredfee (3)
- 5—*The Ascent of Man*, Bronowski (6)
- 6—*The Bermuda Triangle*, Berlitz (5)
- 7—*T.M.: Discovering Inner Energy and Overcoming Stress*, Bloomfield, Cain & Joffe (9)
- 8—*Sylvio Porter's Money Book*, Porter
- 9—*The Save-Your-Life Diet*, Reuben
- 10—*Kate*, Higham (8)



DOO DAH DARLINGS PERFORMING ON STAGE AT SPEAKEASY, "THE BOILER ROOM"



BIG JIM VALENTI & HENCHMAN RETURNING FIRE

SHOW BUSINESS

The Doo Dah Gang

The private train was slowly chugging across Nevada one day last week on the final stretch of a six-hour trip from Los Angeles to Las Vegas. The 150 passengers, guests of West Coast Mobster "Big Jim" Valenti, had lunched on a buffet of "selected Sicilian meat and cheese cuts," and they were looking forward to an evening at Valenti's hotel speakeasy, The Boiler Room. Big Jim, trigger-tempered head of the notorious "Doo Dah" gang, had arranged the party for the opening-night floor show starring his bride, a former Detroit showgirl named Boo Boo O'Hare. Boo Boo could warble like a thrush, it was said, and Valenti told one and all that she would be "the next Clara Bow."

Big Jim, resplendent in white linen suit, white shoes and lavender tie, had planned for everything, down to the brass band waiting to tout out a welcome at the Las Vegas station. Or had he? Passengers taking in the scenery suddenly noticed a 1923 Chrysler touring car and a 1925 brewery truck following the train on an adjacent road. Rival Hoodlum Barney Weiss apparently had dispatched his own welcoming party to greet Big Jim. From a machine gun mounted on the back of the truck, a Weiss torpedo named Charley Ice fired several bursts at the passing coaches. Two other goons opened up with shotguns. Valenti and his bodyguard, Tony Robozo, fired back at the attackers until they dropped their pursuit.

Strange Amusement. A Hollywood gangster shoot-'em-up in the making? Not on film, in any case. In fact, the whole thing is an elaborate fantasy produced and paid for by Multimillionaire Artist Bob Graham, who acts on the conviction that all the world's a stage. Big Jim, Boo Boo and the rest of the Doo Dah gang are actors getting paid \$450 a week to portray gangland characters from the Roaring Twenties, primarily for the entertainment of Pa-

tron Graham—and anyone else who happens by. So far, this strange amusement has cost Graham some \$600,000, with no end in sight.

The saga of the Doo Dahs is a succession of polyptychs that Graham somewhat grandly refers to as his "living canvases." "I call it Doo Dah art as a takeoff on Dada art," he says. "I didn't set out to create an art form, although I think it has become one." What he did set out to do was to "inject vitality and fun onto the national scene after the dark years of war and scandal."

Tastes Indulged. With a fortune inherited from his father, who invented a pressure valve for jet engines, the lanky young Graham had the means to indulge his tastes. After graduating from Oxford in 1963 with a degree in art, he opened a gallery in London. In 1968 he staged an exhibition of *tableaux vivants* called "The Americans." He imported an Alabama dirt farmer, a California fisherman, a stockbroker and an Oklahoma oil driller to stand around and represent themselves, but his *pièce de résistance* was a New York cab driver complete with yellow cab and nonstop monologue for anyone who ventured to enter it. Says Graham: "It seemed an interesting thing to do."

These were only preliminary sketches, as it were. Last year Graham prowled Los Angeles in search of actors willing to help him re-create, more or less, the exploits of a gangster mob of the 1920s. Valenti is modeled on "Big Jim" Colosimo, who actually died in 1920 when he was shot in a Chicago cafe. After considerable research and meticulous preparation, Graham invited a few guests to his first caper: an attempted rub-out of Big Jim at the posh Beverly Wilshire Hotel. As police alerted by Graham controlled traffic, unwitting pedestrians and hotel employees cringed while Charley Ice blasted two of Big Jim's henchmen, who slumped to the sidewalk, oozing cosmetic blood. Graham has staged six other canvases since then in Los An-



BIG JIM (CENTER) IN LAS VEGAS CROWD



SHOW BUSINESS

geles, including "Shootout at Century Plaza" and "Incident at the Brown Derby."

Graham's Los Angeles headquarters is the Doo Dah Planning Center, where a staff of ten carefully choreographs each incident. The actors use no scripts, however, improvising all dialogue as the incident develops. For their substantial salaries, plus expenses, Graham has extracted a promise from his actors to remain in character at all times. None will even reveal his real name. Such role playing has gone to some strange extremes. Earlier this year Graham invited his cast to move in with him at his newly purchased Benedict Canyon hideaway, and the actor playing Big Jim took such a liking to the digs that he told Graham to move out or he'd "break his kneecaps." Graham promptly rented an apartment; Big Jim christened his new pad "Valenti's Villa."

Paddy Wagons. The Las Vegas caper will cost Graham a lot more. He has leased the main showroom at the Flamingo Hilton for six months and paid to have it redone to match Colosimo's Chicago speakeasy. Flamingo executives, who get a share of the take from any audiences at Big Jim's floor show, had some doubts about Boo Boo's review, and they expressed a desire for more bare skin on the chorus line. "Would you want your wife to sing on the stage with a bunch of naked bimbos?" yelled Valenti. When Hotel Manager Henry Lewin paid a courtesy call on Valenti in his suite, Big Jim plucked Lewin's cigar from his mouth and said, "How can you smoke such garbage?" At a meeting with the entire hotel staff, Valenti promised them a little extra something in their paychecks. Says Graham: "I guess I'm gonna have to make it good."

Boo Boo's debut last week was a smash. Popping out of an oyster shell, she crooned *Have You Ever Been Alone with an Abalone?* while guests sipped Prohibition booze from coffee cups. Big Jim contributed his rendition of *Ja Da* and a twinkleteso tap dance, but the Las Vegas "police" put a crimp on the evening with a raid. "I'll have your badge in the morning," Valenti yelled at one cop while being led away. Big Jim and his cronies were packed into a pair of vintage paddy wagons, then later released and returned to the hotel.

Big Jim and the Doo Dahs may tire of Vegas, says Graham, who hints that they may move on to St. Louis and New York before the year is out. He refuses to predict how far the canvas might stretch, saying only, "The story will run its course—in time." Then Graham will be off to bigger and better things. Already he's planning a re-enactment of Charles Lindbergh's flight across the Atlantic on the 50th anniversary of that feat in 1977. But that's a mere stunt compared to his ultimate fantasy. "I'd love to do Napoleon's retreat from Russia," he says. "Wouldn't that be a gas?"



THE SEXES

Doll's House Finale

Mexico City finally settled down again as the 6,000 or so female—and 240 male—visitors attending the two-week International Women's Year Conference went home. As a parting gift to the women delegates of the U.N.-sponsored affair (TIME, July 7), the Mexican government passed out dolls in wicker baskets. Huffed Australia's delegate Elizabeth Reid: "It never crossed their minds to give them to the men."

Despite the doll debacle and other happenings viewed as sexist, like the sale of souvenir potholders, the conference managed to end on a relatively positive note. The 1,300 official delegates unanimously approved a ten-year World Plan of Action designed to improve the status of the world's 2 billion women. The 48-page plan, like all U.N. resolutions, is not legally binding, but member nations are urged to incorporate it into their own political and economic programs. Australia's Reid worried that the new resolutions would wind up in the "bottom drawers of government."

Many of the proposals stressed basic equalities such as women's right to vote, have the same educational and job opportunities as men and participate in the political processes of their countries. The document included such familiar feminist demands as better child-care facilities, sharing household duties and rewriting textbooks to reflect "an image of women in positive and participatory roles in society."

Control Fertility. The American delegation had lobbied for an amendment proposing that governments grant women complete freedom to "control their fertility." Though abortion was never mentioned, Third World women voted down the amendment as too radical. They passed, however, a surprisingly liberal plank stating that "individuals and couples" should have the means

and the right to determine the spacing and number of their children.

Reflecting the conference's long debates, the document led off with a reference to Third World rather than Western issues. Noting that "as a result of the uneven development which prevails in international economic relations, three-quarters of humanity is faced with urgent and pressing social and economic problems," the plan called for a "new economic order." It did not, however, spell out how to achieve it.

Feminist Firecracker. A second document approved by the delegates was more specific. Called the Declaration of Mexico, it urged the elimination of Zionism, colonialism and *apartheid*. It also referred back to the Charter of Economic Rights and Duties of States approved by the U.N. General Assembly last December. Under the charter, nations can expropriate foreign properties without guaranteeing equitable compensation, organize commodity cartels like OPEC and otherwise foster their own development. The vote for the Declaration was 89-2, with 18 abstentions. The no votes came from the U.S. and Israel.

Indeed, there was no letup from the global politics that had preoccupied the conference all along. Because she felt that such political discussions deflected interest from matters uniquely concerning women, Françoise Giroud, France's Secretary of State for Women's Affairs, termed the conference a "total failure." Other women took a more positive view. Representative Bella Abzug of New York said that while the conference was perhaps "intended as a sop, we did talk about issues, and I believe deeply that we accomplished something." She was so inspired, in fact, that she and two other Congresswomen are sponsoring legislation for a follow-up national conference on women to be held next year in the U.S.—a feminist firecracker of sorts to commemorate the Centennial.

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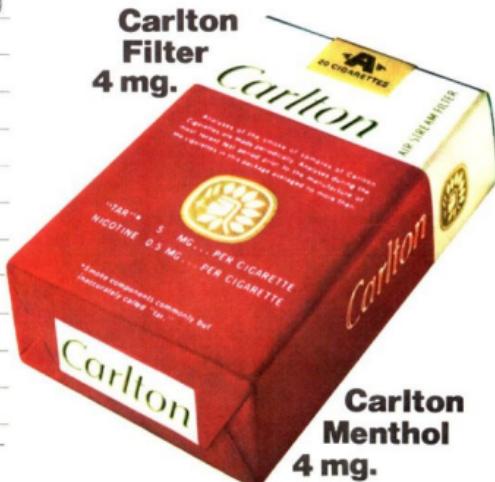
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